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The TOBACCO SITUATION

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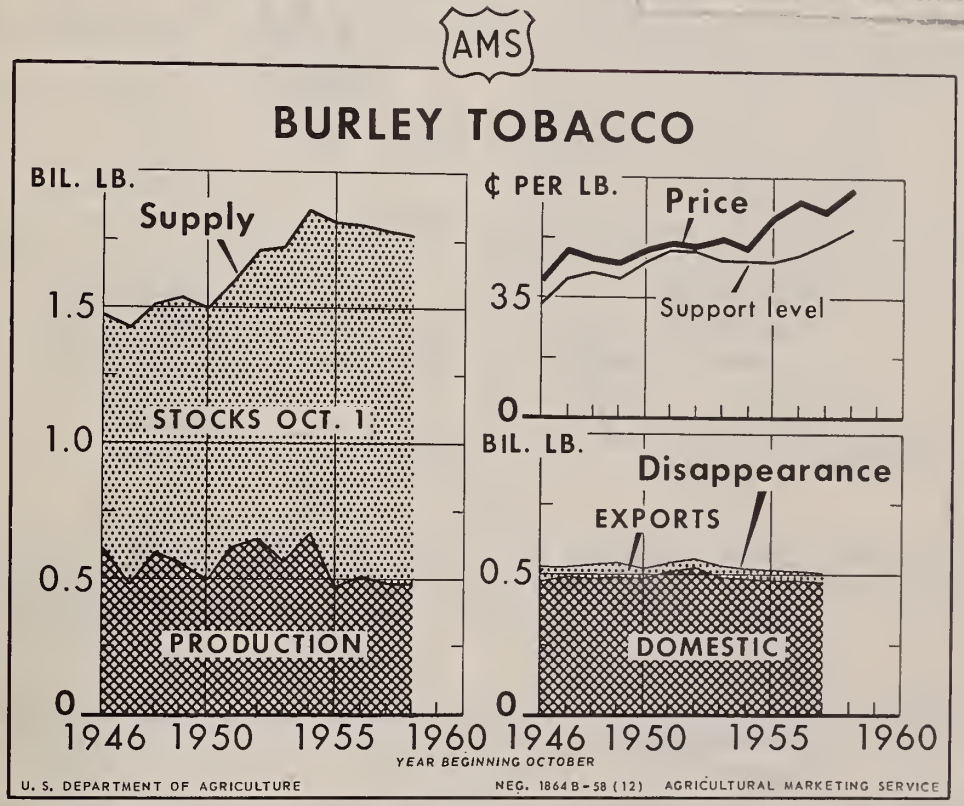

Total supply of burley tobacco for 1958-59 at about 1 3/4 billion pounds is 1 percent lower than for 1957-58 and 5 percent below the peak level of 4 years ago. Both the carryover from previous crops and 1958 production are lower than a year earlier. The 1958 crop is one of the smallest in 15 years.

During the year ended September 30, domestic use of burley was a little lower than in the preceding year despite the increase in cigarette manufacture--its big outlet. Exports held even with 1956-57, though below nearly all other postwar years.

About 80 percent of the 1958 crop had been marketed by December 19 at 66.5 cents per pound--8 percent above a year ago and a record high.

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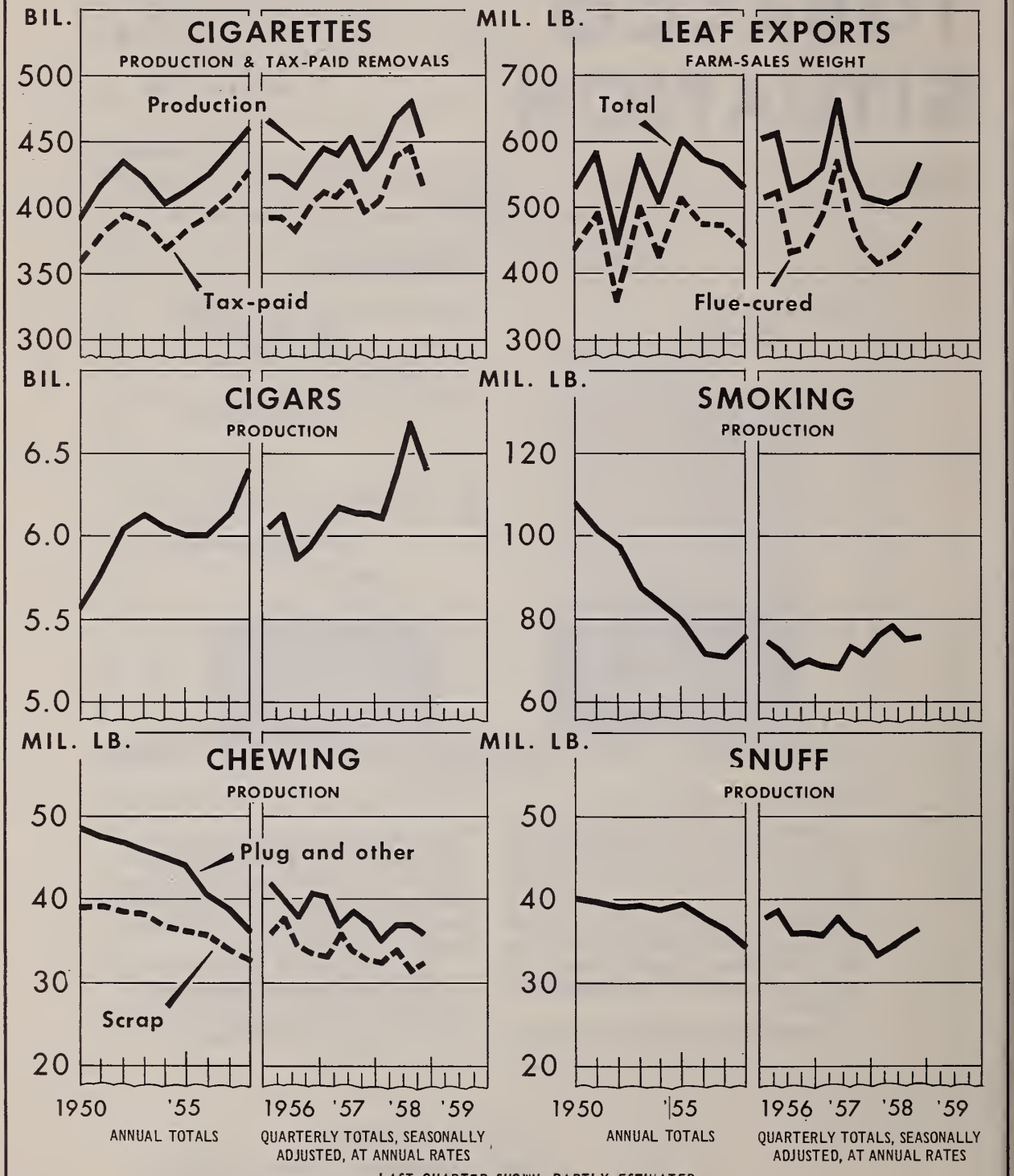
UNITED STATES DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



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THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, December 19, 1958

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SUMMARY

Consumption of cigarettes, cigars and smoking tobacco made appreciable gains in 1958 but consumption of chewing tobacco and snuff continued to decline. Exports of unmanufactured tobacco in 1958 have been only moderately lower than in 1957.

Output of cigarettes, which utilizes large quantities of flue-cured, burley and a major part of the Maryland crop, rose to a new record high of about 462 billion in 1958--4.4 percent greater than in 1957 and nearly 9 percent above 1956. Consumers spent about 5.6 billion dollars on cigarettes in 1958--6¾ percent more than in 1957. A further increase is likely in 1959. U. S. smokers smoke about 96 percent of total output; the other 4 percent is accounted for by commercial exports. Filter tip cigarettes probably comprised 45 to 50 percent of the 1958 total output, compared with roughly 38 percent in 1957, 28 percent in 1956 and 19 percent in 1955. Manufacturers of cigarettes spend over 125 million dollars annually on advertising in all media--around 2-1/3 percent of the amount spent by consumers for cigarettes.

In the year ended last June 30, the average utilization of tobacco--unstemmed equivalent--per 1,000 cigarettes was about the same as in the preceding year. This followed several years of successive declines. In the years

ahead, the average quantity of unstemmed tobacco required per unit of output might decline further, since additional changes may occur in cigarette manufacturing operations and consumption patterns.

Total 1958 consumption of cigars and cigarillos by U. S. smokers approached 6½ billion--4 percent more than in 1957, and above any year since 1929, when 6.8 billion were smoked. Further gains in cigar and cigarillo consumption are expected in 1959. Less cigar tobacco is being used per unit of output than formerly because of the sizable number of cigarillo-size cigars and the expanding use of processed binder sheet in place of natural leaf. In the past year, the percentage of cigars retailing at 8 cents apiece or less climbed significantly and the proportion sold at higher prices declined.

The 1958 output of smoking tobacco for pipes and roll-your-own cigarettes probably totaled 76 million pounds--8 percent above 1957, the year of lowest production in this century. The major part of the yearly gain occurred in the first half of 1958, when the recession reached its lowest point. The 1959 consumption of packaged smoking tobacco probably will not gain appreciably in view of the favorable outlook for consumer incomes.

The 1958 outputs of chewing tobacco and snuff are estimated at near 69 million and 34½ million pounds--both down approximately 5 percent from 1957. Consumption of chewing tobacco is likely to continue to trend downward but snuff may hold fairly steady in 1959.

Exports of unmanufactured tobacco in calendar 1958 probably totaled 475 million pounds--5 percent lower than in 1957 and 2 percent lower than the 1948-57 average. Flue-cured tobacco comprised over four-fifths of the past year's total tobacco exports. On a marketing year basis, exports of tobacco dropped 5 percent from 1956-57 to 1957-58 and may decline a little further in 1958-59.

Production of all kinds of leaf tobacco combined in 1958, though 5 percent above 1957, was around 20 percent lower than annual production in the early 1950's. For most kinds, the carryovers at the outset of the 1958-59 marketing year were lower than a year earlier. Since the 1958 crops of several kinds are below anticipated 1958-59 disappearances (domestic use plus exports), carryovers at the beginning of the 1959-60 marketing year are likely to decline further.

Flue-cured growers on December 15 approved marketing quotas on the next 3 crops. The flue-cured acreage allotments for 1959 are essentially the same as in 1958 and 1957. The 1959 marketing quotas and acreage allotments for burley, Maryland, Virginia sun-cured and Pennsylvania filler will be announced by February 1. Soon thereafter, growers of these kinds will vote in separate referendums on whether they favor marketing quotas on their next three crops. At least two-thirds of the growers voting must approve if quotas are to be in effect. Also to be announced by February 1 are the 1959 marketing quotas for fire-cured, dark air-cured, Connecticut Valley binder and Ohio filler-Wisconsin binder. Growers approved quotas on these kinds of tobacco in referendums held last February and in February 1957.

The Soil Bank acreage reserve program, which was in operation during the past 3 crop seasons, will not be in effect in 1959. In 1958 about 9½ percent of the allotted tobacco acreage was held out of production under this program. Proportions of allotted acreage placed in the acreage reserve varied considerably by kind of tobacco. The proportion in the Connecticut Valley was considerably greater than that in other tobacco-growing areas.

Under existing law, prices for most kinds of tobacco must be supported at 90 percent of parity when marketing quotas are in effect. Exceptions are fire-cured, dark air-cured and sun-cured tobaccos. Price supports for these three types have fixed percentage relationships to the burley support price, but cannot rise above their 1957 supports unless 90 percent of their individual parities exceeds those support levels.

The total supply of flue-cured for 1958-59 is 3.4 billion pounds--3 percent less than for 1957-58 and 8 percent below the record high of 2 years ago. The drop in carryover more than offset the increase in production in 1958 and thus reduced supply. Domestic usings of flue-cured increased moderately in 1957-58 because of the higher level of cigarette output.

Marketings of the 1958 flue-cured crop were completed by mid-December. Auction prices averaged 57.7 cents per pound--5 percent above 1957 and higher than in any other season. Receipts under Government loan amounted to over an eighth of the crop.

The 1958-59 total supply of burley at about 1¾ billion pounds is 1 percent lower than for 1957-58. The estimated 1958 crop is a little smaller than last year's and the second smallest in 15 years. Carryover on October 1 was down a little from a year earlier--though still comparatively large. Burley auctions opened November 24 and by the time the markets closed for the holidays, about 80 percent of the crop had been marketed at an average price of 66½ cents per pound. This was 8 percent higher than in the comparable period of last season and exceeded the previous high in 1956 by 5 percent. A very small percentage of the crop has been placed under Government loan.

The total supply of Maryland tobacco for 1958-59 is about 3 percent less than in the preceding year. Most of the 1958 crop, which is estimated to be 14 percent below 1957, will be marketed next spring and summer.

The 1958-59 supplies of fire-cured and dark air- and sun-cured are down 8 and 7 percent, respectively, from 1957-58. Supplies of these types, though the lowest for many years, are still large in relation to domestic usings and exports. Substantial quantities are being carried in Government loan stocks. These types are used domestically in snuff and chewing tobacco.

Prices for early season sales of Virginia fire-cured averaged a little below those in the comparable period of a year ago; prices for dark air-cured and sun-cured averaged higher than a year ago.

The 1958-59 total supply of Pennsylvania and Ohio cigar filler is up 2 percent from 1957-58, when it was the smallest on record. The increase in the 1958 Pennsylvania crop more than offset the decline in carryover and the reduction in Ohio's crop. The 1957-58 usings of the cigar filler types dropped moderately below 1956-57 levels.

The 1958-59 total supply of Connecticut Valley binder types is down 20 percent from 1957-58 and a record low. Domestic use of these types has declined as use of processed binder sheet has expanded. Domestic use in the year ended September 30 was about a sixth lower than in the preceding year.

The 1958-59 total supply of Wisconsin binder types is 6 percent below 1957-58 and lower than any previous year. The 1957-58 usings of Northern Wisconsin, type 55, increased moderately, but Southern Wisconsin, type 54, tobacco dropped sharply from the high 1956-57 figure.

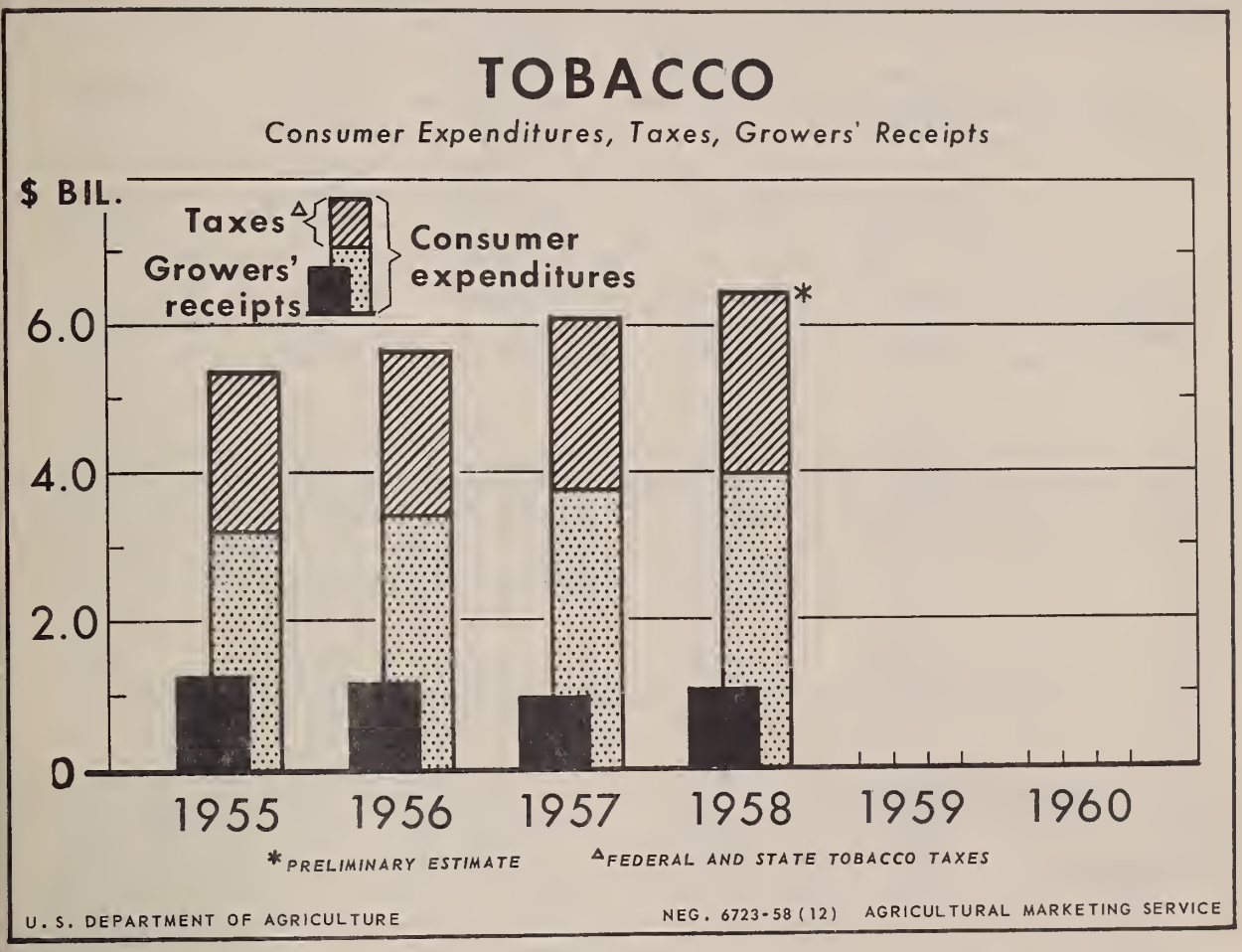
The 1958-59 total supply of shade-grown cigar wrapper is a little above 1957-58, owing mainly to the increased carryover of the Connecticut Valley, type 61. During the last 2 years, there has been little change in domestic use of the cigar wrapper types, but exports reached a record level in 1957-58 and went even higher during the first third of the 1958-59 marketing year.

TOBACCO PRODUCTS

Cigarettes

Cigarette consumption and output rose to new highs in 1958 and further increases appear likely in 1959. Considerable gains were made each quarter following the first quarter of 1958. Some part of the increases in the second and third quarter output and factory removals reflected the appearance of cigarettes that had new features or packaging. Even after making allowance for this, it can be concluded that cigarettes made appreciable gains in 1958 and far outpaced the increase that could have been expected from the growth in population of smoking age.

The total output of cigarettes in 1958 is estimated at about 462 billion--4.4 percent more than in 1957. This is virtually the same rate of gain as from 1956 to 1957, but higher than the annual percentage gains in the two previous years. Smokers in the United States, its possessions and among the overseas forces account for about 443½ billion or 96 percent of total output while commercial exports comprise an outlet for about 18½ billion or 4 percent of the total. State tax data indicate that since mid-1958, cigarette consumption has increased significantly in practically every State. Exports increased moderately in 1958 but shipments for overseas forces declined a little. Fewer members of the armed forces were stationed overseas in 1958 than in 1957.



Consumer expenditures for tobacco products are estimated at a record 6,450 million dollars in 1958. Over 85 percent went for cigarettes. Federal and State taxes on tobacco products in 1958 approximate 2,470 million dollars. Expenditures and taxes increased appreciably in the past 4 years due to increases in unit volume, price increases on some products, and advances in tax rates in a number of States. Growers' cash receipts in 1958, at about 1,025 million dollars, are up moderately from a year earlier though still considerably below the 1955 record. Roughly three-tenths of annual leaf tobacco production is shipped overseas, the major share as leaf and the rest in manufactured form. Many foreign countries impose heavy duties on or otherwise restrict imported tobacco.

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption 1/	Shipments to: Overseas forces and other 2/	Shipments to: Puerto Rico and other 3/	Exports
	Billions	Billions	Billions	Billions	Billions
Average:					
1935-39	164.2	157.0	0.9	0.8	5.5
1940-44	256.9	223.5	26.5	1.0	5.8
1945	332.2	267.2	56.9	1.2	6.9
1946	350.0	321.7	5.0	1.6	24.1
1947	369.7	335.4	10.4	1.1	22.8
1948	386.8	348.5	12.8	1.7	25.2
1949	385.0	351.8	12.0	1.7	19.5
1950	392.0	360.2	15.6	1.9	14.3
1951	418.8	379.7	20.1	2.0	16.8
1952	435.5	394.1	21.7	1.9	16.4
1953	423.1	386.8	18.8	2.0	16.2
1954	401.8	368.7	15.9	1.8	15.4
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958 4/	462.0	428.0	13.5	2.1	18.4

1/ Tax paid removals including Alaska and Hawaii. 2/ Includes ship stores and other smaller tax free categories. 3/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 4/ Estimated.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Consumers in the U. S. probably spent a record of over 5.6 billion dollars on cigarettes in 1958--6¾ percent more than in 1957. The trend towards filter tip cigarettes, which are higher priced than nonfilter tips, continued in 1958. Filter tip cigarettes probably comprised 45 to 50 percent of the 1958 total output compared with roughly 38 percent in 1957, 28 percent in 1956 and 19 percent in 1955.

For the year ending last June 30, the utilization of tobacco (on an unstemmed equivalent basis) in a thousand cigarettes was about the same as a year earlier. This leveling out followed several years of successive declines. Factors contributing to the past declines in the average quantity of unstemmed tobacco used were (1) the development of sheet tobacco, (2) greater use of processed stems and (3) reductions in cubic space for tobacco in many cigarettes due to smaller overall dimensions, filter plugs and lengthened filter plugs. The gradual increase in the percentage of imported aromatic tobaccos has affected the domestic types to a modest extent.

Cigarette manufacturing operations and consumption patterns might undergo additional changes that may influence leaf tobacco requirements per unit of output. Though the most pronounced effects of dimensional changes in cigarettes may be past, there is still the possibility that the average quantity of unstemmed tobacco required per unit of output may decline further in the years ahead.

Exports of cigarettes, estimated at nearly 18½ billion this year, are 8 percent above 1957 and the largest number since 1949. Cigarette exports in 1958 represent the equivalent of about 47 million pounds of domestic tobacco, farm-sales weight. For leading destinations among the large number of foreign countries importing American cigarettes, see table 2.

Table 2.--Cigarette exports from the United States to leading destinations for specified periods

Country	Average 1951-55	1956	1957	January-October		
				1957 1/	1958 1/	1958 as a percentage of 1957
	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Venezuela	1,593	1,953	2,336	1,834	2,114	115
Morocco	1,761	1,751	1,942	1,550	1,788	115
France	778	777	1,321	1,110	1,052	95
Hong Kong	884	863	1,224	949	950	100
Singapore 2/	649	687	931	729	766	105
Sweden	692	769	625	520	510	98
Panama-Canal Zone	721	557	572	486	250	51
W. Germany	442	515	480	429	369	86
Belgium	801	487	644	493	775	157
Denmark	293	356	444	376	358	95
Other countries 3/	7,378	6,999	6,474	5,229	6,313	121
Total all countries	15,992	15,714	16,993	13,705	15,245	111

1/ Preliminary. 2/ Includes British Malaya. 3/ Includes about 90 to 100 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Table 3.--Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manufacturing warehouse	Imports for consumption		From Puerto Rico: Tax-paid withdrawals in United States	Total tax-paid consumption
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total 2/	From Cuba		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1935-39	5,075	5,060	13	66	192.4	3.0	27.4	5,346
1940-44	5,450	5,282	199	105	93.7	15.3	11.6	5,492
1945	5,275	4,774	469	82	60.0	59.8	59.8	4,976
1946	5,618	5,621	26	125	22.2	20.1	77.8	5,846
1947	5,488	5,460	41	124	12.5	9.1	6.2	5,603
1948	5,645	5,588	38	140	11.8	10.3	5.0	5,745
1949	5,453	5,399	46	142	10.9	10.2	4.6	5,556
1950	5,399	5,365	47	160	11.9	11.1	.7	5,538
1951	5,594	5,518	85	177	14.3	13.0	.7	5,710
1952	5,825	5,755	102	196	14.6	12.5	1.9	5,968
1953	5,915	5,820	90	205	16.8	13.4	9.9	6,052
1954	5,820	5,690	89	206	16.3	12.3	49.5	5,962
1955	5,776	5,688	82	227	20.3	14.7	84.3	6,019
1956	5,767	5,633	72	230	22.8	18.4	93.2	5,979
1957 3/	5,903	5,757	79	238	26.0	20.0	123.7	6,145
1958 4/	6,150	5,985	85	243	27.3	21.5	140.0	6,395

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Predominant share of cigar imports prior to World War II came from the Philippine Islands. 3/ Subject to revision. 4/ Estimated.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Cigars

Total 1958 consumption of cigars and cigarillos in the United States and by overseas forces is estimated at nearly 6½ billion--a gain of 4 percent above 1957. The 1958 total exceeds any year since 1929 when 6.8 billion cigars were consumed. A sizable fraction of the number consumed in 1958--probably over an eighth--were cigarillo-size cigars. Cigarillos are considerably smaller than cigars of traditional size that composed nearly all of the market until a few years ago.

Sheet binders are now being used on many leading brands of cigars and nearly all brands of cigarillos. The expanding use of sheet binder, and the significant proportion of cigarillos in recent years have increased the average number of units turned out per pound of farm-sales weight tobacco.

In 1957 about 54 percent of the cigars from domestic and Puerto Rican factories retailed at 8 cents or less; 42 percent retailed at 8.1-15 cents apiece; and the remaining 4 percent at higher than 15 cents each. In January-October 1958, there was a sizable shift in the proportions in these price brackets; the percentage selling at 8 cents or less rose to 58 percent while the percentage selling for 8.1 to 15 cents fell to 38 percent. Those priced at over 15 cents accounted for less than 4 percent in both periods.

Almost a quarter of a billion cigars--roughly double the immediate postwar annual volume--are made in bonded manufacturing warehouses which use only imported tobacco. The output of these establishments is in addition to that of domestic factories. About 65 percent of the bonded manufacturing warehouse cigars retail at more than 15 cents apiece; 28 percent, at 8.1-15 cents; and the remaining 7 percent, at 8 cents or lower.

Cigar imports into the United States, though comprising a small part of total consumption, have about doubled since 1952. The principal supplying countries are Cuba and Philippine Republic--accounting for 76 and 18 percent of our cigar imports, respectively. About 95 percent of those from Cuba sell at more than 20 cents apiece. Most of the cigars imported from the Philippine Republic retail at less than 6 cents apiece.

Output and removals of small cigars (cigarette-size and weighing not more than 3 pounds per 1,000) have spurted recently. New brands have been introduced which utilize processed sheet tobacco as a wrapper. Annual output of small cigars has fluctuated between 50 and 70 million since 1950--about a third as much as before World War II. In October 1958, output of small cigars jumped to nearly 23 million and tax-paid shipments totaled almost 21 million. On an annual basis, these sharply increased rates of output and shipments could mean 250 to 300 million small cigars per year. In the late 1920's, output of small cigars averaged over 425 million annually.

Smoking Tobacco

The 1958 production of smoking tobacco for pipes and "roll-your-own" cigarettes probably totals about 76 million pounds--8 percent above a year earlier, when output was the lowest this century. Consumption of smoking tobacco in the first quarter of 1958 was 11 percent, and in the second quarter, 15 percent higher than in the corresponding months last year. This rate of gain dropped to only 1 percent in the third quarter. Compared with 1957, the percentage increase in the final quarter of 1958 appears to be not so favorable as earlier this year. As smoking tobacco for pipes and hand-rolled cigarettes ordinarily are the most economical forms of smoking, improvement in economic conditions in some recession-affected areas may have

Table 4.--Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957	70.5	31.6	4.0	2.8	34.0	72.4	36.1
1958 1/	76.0	29.4	3.9	2.8	32.6	68.7	34.5

1/ Estimated.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

contributed to the leveling out in consumption. Also, there may be some tendency for individuals who switch to smoking tobacco for economy or other reasons to resume their former mode of smoking because of convenience and for other reasons. A further appreciable increase in smoking tobacco output in 1959 does not appear likely in view of the generally favorable outlook for consumer income.

Exports of packaged smoking tobacco during January-October 1958 totaled 586,000 pounds--an eighth more than in the corresponding period last year. Approximately a third of the total went to Canada. The rest went to numerous other destinations.

Manufacturing tobacco in bulk form, largely not reflected in the Internal Revenue Service output figures, is reported in the Bureau of Census export statistics. This export category includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco. These exports in 1958 were at a record rate, and in the first 10 months, totaled 6 million pounds--36 percent more than the total for all of 1957. Over a fourth of the total went to Spain, which increased takings more than 60 percent. Other major destinations in January-October 1958 were Panama, Switzerland, Australia, Dominican Republic, Haiti and Mexico. Excepting Mexico, all these countries received substantially more than a year ago.

Chewing Tobacco

The 1958 output of chewing tobacco probably totals close to 69 million pounds--5 percent less than in 1957 and the smallest on record. Production of chewing tobacco has been declining gradually, and a continuation of the long-term downtrend is expected in 1959. The two main categories of chewing tobacco are scrap, which utilizes mainly certain grades of the binder types, and plug, which utilizes mainly burley and dark air-cured. In the last decade, plug chewing has dropped farther than scrap chewing. Two smaller categories of chewing tobacco are twist and fine-cut. Twist has declined at a rate comparable to that of plug, but output of fine-cut has tended to be more stable than the others.

The great bulk of chewing tobacco manufactured in the U. S. is also consumed here. Exports in recent years--mainly twist and plug--have ranged between $1\frac{1}{2}$ and 2 million pounds. In the first 10 months of 1958, chewing tobacco exports at 989,000 pounds were 21 percent less than in the like 1957 period. Shipments to Australia, the leading outlet, declined by a sixth. Exports to the Philippine Republic, ranking second, were down almost a half and those to the French Pacific Islands were down nearly a third.

Snuff

The 1958 output of snuff is estimated to be about $34\frac{1}{2}$ million pounds-4 percent less than in 1957 and the lowest in many years. Production of snuff expanded during World WarII, and reached a peak of nearly 44 million pounds in 1945. In the following 10 years, output ranged fairly narrowly between 39 and 41 million pounds, but starting with 1956, has declined each year. Almost all output is consumed in this country. Whether production of snuff in 1959 will hold near this year's level or decline further will largely depend on activity in industries in which snuff is commonly used by workers.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

The 1958 calendar year exports of tobacco are estimated at near 475 million pounds, declared weight (equivalent to 530 million pounds, farm-sales weight)--5 percent below 1957. In the 1948-57 period, annual exports averaged 484 million pounds, ranging from a low of 396 million in 1952 to a high of 540 million in 1955.

In the first 10 months of 1958, exports of flue-cured--the principal export type--were nearly a tenth smaller than in the corresponding period a year ago, and 2 percent less than the comparable 1952-56 average. Shipments of flue-cured are usually heaviest in the months of August-December, after substantial quantities of the crop have been marketed. The average value per pound of flue-cured exported during August-October this year was nearly the same as that of a year earlier, despite generally higher auction market prices.

The January-October exports of burley were 31 percent above those in the comparable months of 1957, mostly attributable to larger takings by Sweden, Portugal, Mexico and Italy. Shipments of Kentucky-Tennessee fire-cured declined 4 percent below those of a year earlier, while exports of Green River and One Sucker were down sharply. Maryland exports in January-October were 14 percent below those of a year ago, but were moderately above the comparable 1952-56 average. There was a drop of a tenth in Virginia fire-cured and over a third in cigar binder, but exports of cigar wrapper were up by more than an eighth.

With the exception of France, Sweden and Spain, gold and dollar reserves of West European countries by mid-1958 were higher than a year earlier. German reserves at $4 billion were $320 million above those held on June 30, 1957. Reserves of the United Kingdom have continued to improve. At the end of November 1958, gold and dollar reserves of the sterling area held in London, $3.2 billion, were up more than a billion from year-earlier levels. However, there is evidence of a moderate slackening in Western Europe's industrial activity.

In the year ending June 30, 1959, total exports of tobacco may be down a little from 1957-58 levels.

United States flue-cured tobacco competes in world markets principally with tobacco from the Federation of Rhodesia and Nyasaland, Canada and India, all of which produce and export substantial quantities of flue-cured. Turkey and Greece--which grow almost entirely oriental tobacco--are also important producing and exporting countries.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 5.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Average 1934-38	Average 1951-55	1956	1957 1/	January-October 1957 1/	January-October 1958 1/	1958 as percentage of 1957
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	324.9	405.6	420.4	417.7	341.4	309.0	91
Burley	11.6	27.7	29.2	20.5	18.2	23.8	131
Maryland	5.5	7.8	12.1	13.5	10.8	9.2	85
Va. fire-cured and sun-cured	9.7	4.5	4.4	5.3	4.5	4.0	89
Ky. and Tenn. fire-cured	53.7	22.6	24.2	22.0	18.3	17.5	96
Green River	3.0	2.0	1.3	1.6	1.4	1.0	71
One Sucker	.7	1.7	2.4	2.6	2.5	.6	24
Black Fat, etc.	9.0	4.4	4.6	4.5	3.5	4.0	114
Cigar wrapper	)	3.6	3.9	4.5	3.8	4.3	113
Cigar binder	)1.3	2.4	3.1	3.9	2.4	1.6	67
Cigar filler	)	.5	.8	.1	.1	.2	200
Perique	.1	.1	.1	.1	.1	.1	100
Stems, trimmings, and scrap	17.8	3.3	3.9	4.7	3.6	3.4	94
Total	437.3	486.2	510.4	501.0	410.6	378.7	92
Country of destination							
United Kingdom	213.9	158.3	156.4	166.5	135.3	126.4	93
France	21.0	8.4	6.4	7.5	6.9	6.5	94
Belgium	15.5	19.1	21.8	16.3	14.0	11.7	84
Netherlands	15.6	33.5	33.0	31.7	26.4	18.9	72
Germany, W. and E.	12.8	60.4	70.0	68.9	60.6	68.8	114
Portugal	4.8	6.4	7.9	5.8	5.6	7.0	125
Denmark	4.6	10.5	12.5	14.0	11.7	7.9	68
Ireland	7.4	15.7	8.8	9.8	7.5	10.8	144
Switzerland	3.8	11.5	13.8	14.2	11.3	7.5	66
Norway	4.7	7.4	8.5	7.4	6.8	6.0	88
Sweden	7.2	11.8	14.4	14.8	13.0	9.3	72
Italy	1.1	3.8	6.6	4.8	4.8	5.5	115
Hong Kong	1.6	4.0	3.7	3.2	3.1	2.6	84
Australia	18.4	26.2	23.2	38.2	25.0	14.9	60
India	)2.6	2.9	1.6	4.3	3.6	2.2	61
Pakistan	)	1.9	2.7	2.9	2.9	.2	7
New Zealand	2.5	6.5	7.1	6.3	4.5	5.4	120
Philippine Rep.	1.2	20.2	2.3	.1	.1	4.0	---
Indonesia	2.0	11.8	17.8	11.5	7.8	1.1	14
Japan	7.3	8.6	5.8	3.6	1.3	3.0	231
Other countries	2/89.3	57.3	86.1	69.2	58.4	59.0	101
Total	437.3	486.2	510.4	501.0	410.6	378.7	92

1/ Preliminary. 2/ China averaged 48 million pounds.

Compiled from publications and records of the Bureau of the Census.

In the Federation of Rhodesia and Nyasaland, the crop harvested in early 1958 totaled 156 million pounds--5 percent more than in the preceding year. Nearly 153 million pounds of Rhodesian leaf were sold on 1958 auctions, at an average price equivalent to 42.6 U. S. cents per pound. In 1957, 144 million pounds were sold, at an average price equivalent to 45.9 cents. Of total 1958 offerings, 78 million pounds were bought for the United Kingdom, and approximately 11 million for Australia.

In the first 9 months of 1958, the Federation exported 115 million pounds of tobacco--2 percent more than a year ago. Flue-cured comprised more than four-fifths of this year's shipments, and dark fire-cured, most of the remainder. The United Kingdom, accounting for nearly 60 percent of the Federation's tobacco exports, took a little less than in the corresponding period of 1957. Other Commonwealth destinations, principally Australia, Union of South Africa, Hong Kong and Sierra Leone, together received 5 percent more, mostly attributable to larger takings by Australia. Major markets in West Europe were Germany, The Netherlands and Denmark, all of which took substantially more than a year earlier; and Belgium, which received considerably less.

Canada's 1958 flue-cured crop, estimated at 161 million pounds, is 6 percent larger than last year's, and the biggest since 1954. In Ontario, where most of the crop is produced, sales under the Dutch clock auction system began in the first week of November. Minimum prices set by the Marketing Board for this year's crop average near 52 cents per pound. Exports of unmanufactured tobacco (mostly flue-cured) in the first 8 months of 1958 were 26 million pounds, about a fifth less than a year earlier. The predominant share of Canada's exports goes to the United Kingdom, which took 15 percent less than in January-August 1957. Australian takings dropped to a small fraction of those a year earlier. Less than a year ago went to West Germany, The Netherlands and Belgium, while moderately more went to Portugal.

Recent estimates place India's 1958 flue-cured crop at 110 million pounds--about 15 percent smaller than that country harvested in 1957. However, this year's crop is reported to be of good quality, and most of it sold readily at better prices than in 1957. Ranking markets for India's flue-cured exports in 1957 were the United Kingdom (which took a little over half), Soviet Union, Malaya and Singapore, The Netherlands, Belgium, Egypt, Hong Kong and French West Africa.

The 1958 production of oriental tobacco in Turkey is estimated at 241 million pounds--8 percent below 1957 and 4 percent below 1956. In January-August 1958, Turkey's tobacco exports, 126½ million pounds, were about a million pounds above the record rate a year earlier. Major outlets were the United States, West Germany, East Germany, Soviet Union, Czechoslovakia, Poland and France. Consignments to the United States were down a fourth from a year earlier, and less also went to East Germany and Poland. On the other hand, sharply increased quantities were exported to West Germany, Soviet Union, Czechoslovakia and France.

Table 6 .- United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks Dec. 31	Gross clearances from bond 3/			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
	From U. S. 2/	From Commonwealth countries 2/	Total		Nonpreferential 2/	Preferential 2/	Total		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average									
1934-38	213	57	275	497	185	47	232	39	12
1939-45	182	63	255	310	215	62	277	27	5
1946	366	62	433	383	261	61	322	55	7
1947	201	82	296	384	235	57	292	52	1
1948	172	97	281	390	204	67	271	45	1
1949	154	119	302	415	190	81	271	47	2
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	532	170	135	305	41	3
Jan.-Oct.									
1954	106	113	229	5/409	6/123	6/ 91	6/214	34	3
1955	128	132	272	5/454	6/127	6/ 91	6/218	37	4
1956	118	116	243	5/471	6/126	6/ 92	6/218	36	2
1957	130	128	265	5/495	6/126	6/101	6/227	35	2
1958	115	131	253	5/495	6/130	6/104	6/234	35	2

1/ Unmanufactured tobacco.

2/ Since 1946 the full duty rate on tobacco from the United States and other nonpreferential areas has been about 3 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.

3/ Largely withdrawals from manufacturers for home use and export.

4/ Subject to revision.

5/ September 30.

6/ January-September.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

In Greece, the 1958 oriental crop is estimated at 178 million pounds--about a fourth less than the record 1957 outturn. Exports in January-September 1958 at 47½ million pounds were over a fourth less than a year ago. Principal destinations were the United States, West Germany, Soviet Union, Italy, Austria, Finland, France, Egypt and Portugal.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

U. S. imports of foreign grown tobacco during the first 9 months of 1958 were at a record rate. Total receipts were 9 percent above those in the same period of 1957. Most of the increase was in cigarette leaf; imports from Turkey and Greece were 4 percent and 24 percent, respectively, larger than a year earlier. Stocks of foreign grown cigarette and smoking tobacco in this country on October 1 totaled 210 million pounds--a tenth more than the previous high for that date recorded a year earlier.

Imports of cigar filler and scrap comprise the major portion of non-cigarette tobacco imports, and are principally furnished by Cuba. Imports of scrap and unstemmed filler from Cuba increased moderately while those of stemmed filler were down a little. On October 1, stocks of Cuban tobacco at 18.8 million pounds were 8 percent higher than a year ago and 14 percent higher than 2 years ago.

Imports of Philippine scrap declined 9 percent from year-earlier levels. October 1 stocks were 8.4 million pounds, a little above the preceding year but far more than held on that date in all other postwar years.

Less cigar wrapper than in January-September 1957 was received from Cuba and about the same from Indonesia. Stocks of Sumatra and Java tobacco in the U. S. were 104,000 pounds on October 1--a sixth above the postwar low of October 1, 1957.

Imports of tobacco stems from Cuba were only about a fourth of the unusually large total that entered this country in the first 9 months of 1957.

SOIL BANK PROGRAM

The "acreage reserve" of the Soil Bank program, which was in operation in 1956, 1957 and 1958, will not be in effect for 1959 crops. Participation in the other phase of the Soil Bank program, the "conservation reserve," will have some small effect on tobacco production in 1959. Under past programs, payments were made to producers who contracted to reduce their acreage below their allotments. In 1956, participation in the Soil Bank program for tobacco was handicapped by a late start, as the law was enacted after much of the tobacco

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 7.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1934-38	Average 1951-55	1956	1957 1/	January-September 1957 1/	January-September 1958 1/	1958 as percentage of 1957
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Percent
Cigarette leaf							
Unstemmed:							
Turkey	18.2	55.7	61.5	60.0	46.8	48.8	104
Greece	18.8	14.9	18.9	23.3	17.3	21.4	124
Syria	.5	3.3	1.6	1.2	.8	.9	112
Italy	4.7	1.3	1.8	1.5	1.2	1.4	117
Cyprus	.1	.2	.5	.5	.3	.9	300
Yugoslavia	0	1.6	2.9	3.6	2.7	3.0	111
Total 2/	44.4	79.7	87.9	91.2	70.0	78.7	112
Cigar leaf (filler)							
Cuba:							
Stemmed	7.1	9.7	9.2	8.8	6.8	6.6	97
Unstemmed	4.1	4.4	3.8	3.0	2.2	2.4	109
Philippines, Rep.:							
Stemmed	) 3/	.1	.4	.2	.2	.3	150
Unstemmed	)	.2	.5	0	0	0	---
Total 2/	11.3	14.9	13.9	12.2	9.3	9.5	102
Scrap:							
Cuba	2.9	8.4	11.3	12.3	9.0	9.7	108
Philippines, Rep.	3/3.2	1.5	5.6	6.1	3.4	3.1	91
Total 2/	6.1	9.9	17.0	18.4	12.4	12.9	104
Cigar wrapper (unst.)							
Indonesia	4/1.9	.6	.1	.1	.1	.1	100
Cuba	.2	.4	.6	.6	.5	.4	80
Total 2/	2.1	1.0	.7	.7	.6	.5	83
Stems: 5/							
Cuba	0	.2	.8	1.2	1.0	.3	30
United Kingdom	1.7	.5	.5	.4	.3	.2	67
Total 2/	2.4	.7	1.4	1.6	1.3	.6	46
Total imports	66.3	106.2	120.9	124.1	93.6	102.2	109

1/ Preliminary.
2/ Includes relatively small quantities from other countries not separately listed.
3/ Reported as leaf in 1934-35 and as scrap in 1936-38.
4/ From Netherlands Indies or Netherlands.
5/ Not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 8.--Tobacco grower participation in acreage reserve of the Soil Bank program, 1956-58

Types	1956			1957			1958		
	Number of agreements	Acreage placed in reserve: Number	Acreage placed in reserve: As percentage of allotment	Number of agreements	Acreage placed in reserve: Number	Acreage placed in reserve: As percentage of allotment	Number of agreements	Acreage placed in reserve: Number	Acreage placed in reserve: As percentage of allotment
	Number	Acres	Percent	Number	Acres	Percent	Number	Acres	Percent
Flue-cured (11-14)	6,093	10,329	1	25,900	45,577	6	34,936	66,350	9
Burley (31)	5,823	4,130	1	11,414	6,741	2	16,633	10,263	3
Maryland (32)	1,104	3,915	7	1,397	5,896	12	1,972	9,459	20
Va. fire-cured (21)	613	640	7	1,401	1,350	15	1,310	1,324	17
Ky.-Tenn. fire-cured (22-23)	1,185	1,764	4	3,682	5,113	14	5,058	7,289	22
Dark air-cured (35-36)	1,125	919	4	2,988	1,674	10	4,013	2,073	13
Va. sun-cured (37)	1,208	1,779	32	1,560	2,237	42	1,409	2,252	42
Cigar filler (42-44)	53	116	2	132	381	8	206	620	12
Cigar binder (51)	758	3,525	45	875	4,094	56	973	4,311	65
Cigar binder (52)	957	3,220		1,129	3,794	66	1,183	3,979	78
Cigar binder (54)	147	345	12	242	661	11	179	509	8
Cigar binder (55)	1,027	1,820		1,108	2,183	19	960	2,189	18
All types	20,093	32,502	2	51,828	79,701	7	68,832	110,618	9

had been planted. In that year, 32,500 acres were placed in the Soil Bank, equal to 2 percent of total allotments. Placements in 1957 rose to about 80,000 acres--7 percent of allotments. In 1958, tobacco growers placed about 111,000 acres in the acreage reserve--close to 9½ percent of allotments.

With the notable exception of burley, significant percentages of allotments of each type were generally placed in the Soil Bank once the program was in full operation. Growers of Connecticut Valley cigar binder and Virginia sun-cured placed substantial portions of their allotments in the acreage reserve. This was true even in 1956, despite the advanced season at the time the program became available.

Tobacco growers received the following amounts in payment for their participation (averages are rounded to the nearest whole dollar):

	1956	1957	1958
Total payments (million dollars)	6.6	17.8	26.5
Average per agreement (dollars)	330	344	385
Average per acre (dollars)	204	223	240

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

1959 Acreage Allotment

A 1959 national flue-cured allotment of 714,327 acres was announced on November 26. The 1959 allotments will be the same as in 1958. In a referendum held on December 15, 95 percent of the flue-cured growers voting approved marketing quotas for their 1959, 1960 and 1961 crops.

The variety discount program for flue-cured tobacco that was in effect during the last 2 years will be continued. Prices for the 1959 crop of flue-cured tobacco varieties Coker 139, Coker 140 and Dixie Bright 244 will be supported at half the support rates for comparable grades of other varieties. The specified varieties are considered as having poor acceptance in the trade because they are regarded as low to lacking in flavor and aroma, and generally of light body.

In announcing next year's flue-cured allotments, the Secretary of Agriculture pointed out that continuation of 1959 allotments at 1958 levels was made possible by use of his discretionary power to increase marketing quotas by 20 percent above the formula level prescribed by law. The Secretary also indicated that recommendations of producers and other affected groups concerning advisable modifications in the present legislation are being studied, and that recommendations will be made to Congress on changes in the tobacco program.

Prices

Under existing law, the 1959 flue-cured crop must be supported at 90 percent of the applicable parity, since a marketing quota will be in effect. The adjusted base price for calculating the 1959 flue-cured parity will be higher than that used to determine the 1958 parity. If the parity index should remain near the current level, the parity price for flue-cured in 1959 would be about 4 percent higher than it was when the support level for the 1958 crop was set.

Sales of the 1958 crop started July 29, about 2 weeks later than last year, and were completed by December 17. The season average price for gross sales (which include resales) was 57.7 cents per pound, 5 percent higher than in 1957 and above any previous year. Season average prices in all 5 belts were at record levels. Generally, in all belts, prices of representative cutters, lugs and primings were higher than in the preceding season, while prices of heavy-bodied leaf grades were mostly lower. Prices of representative medium-bodied leaf grades showed mixed tendencies in the lower belts, but were generally higher on type 11 and 12 markets.

In the Georgia-Florida Belt, volume of marketings was almost an eighth larger than last year, when sales were the smallest since 1943. The 1958 season average price was $2\frac{1}{2}$ percent above 1957 and the highest on record.

In the Border Belt, where the sales season extended from August 5 to October 2, volume was up over 3 percent from last year. The season average price was a new high, slightly exceeding last year's record level.

In the Eastern Belt, auction markets opened on August 21 and final sales were held on November 13. The sales volume was over an eighth larger than in 1957. Prices averaged 5 percent higher than last year, topping the previous record price set in 1953 by a narrow margin.

In the Middle Belt, where auctions were held from September 4 to November 21, sales volume was a tenth larger than last year's total. The season average price was about 8 percent above 1957 and exceeded by 2 percent the previous all-time high, averaged in 1950.

In the Old Belt, markets opened on September 15 and sales were completed on December 17. Volume of marketings was 6 percent greater, while the season average price was up by 10 percent to a new high.

Flue-cured tobacco placed under Government loan in the 1958 season totaled 145 million pounds, over an eighth of the crop. In the 1957 season, about 108 million pounds--a little over a tenth of the crop--were placed under loan. Although loan receipts in 1958 were above those in the preceding season, they were sharply lower than in 1955 and 1956, when approximately 300 million pounds--a fifth or more of the crop--were delivered each season for Government loans.

Table 9.- Flue-cured tobacco: Average price per pound and percentage comparisons by Belt, 1947-58

Marketing Season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N. C. type 12	Border Belt type 13	Ga.-Fla. type 14	All Belts
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
1947	38.1	42.2	43.0	41.9	37.8	41.1
1948	49.2	50.1	49.3	50.5	47.2	49.4
1949	45.5	47.7	48.8	48.9	40.1	46.9
1950	53.4	56.2	56.5	55.4	48.1	54.6
1951	50.4	53.8	55.1	51.9	46.3	52.2
1952	48.4	49.4	50.5	51.9	49.2	50.1
1953	42.0	47.0	57.1	56.7	51.1	52.5
1954	52.0	52.3	54.7	51.3	46.5	52.1
1955	53.8	52.4	52.3	53.7	46.5	52.2
1956	49.9	51.9	51.5	53.2	48.0	51.1
1957	52.3	53.1	54.3	59.1	55.9	55.0
1958 1/	57.2	57.1	57.1	59.5	57.2	57.7
	Price for each type as percentage of price for all types combined					
	Percent	Percent	Percent	Percent	Percent	Percent
1947	92.7	102.7	104.6	101.9	92.0	100.0
1948	99.6	101.4	99.8	102.2	95.5	100.0
1949	97.0	101.7	104.1	104.3	85.5	100.0
1950	97.8	102.9	103.5	101.5	88.1	100.0
1951	96.6	103.1	105.6	99.4	88.7	100.0
1952	96.6	98.6	100.8	103.6	98.2	100.0
1953	80.0	89.5	108.8	108.0	97.3	100.0
1954	99.8	100.4	105.0	98.3	89.3	100.0
1955	103.1	100.4	100.2	102.9	89.1	100.0
1956	97.7	101.6	100.8	104.1	93.9	100.0
1957	95.1	96.4	98.7	107.5	101.6	100.0
1958 1/	99.1	99.0	99.0	103.1	99.1	100.0

1/ Preliminary.

Table 10.--Flue-cured tobacco: Volume of gross sales (includes resales) and percentage distribution by belt, 1947-58

Marketing season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N. C. type 12	Border Belt type 13	Ga.-Fla. type 14	All belts
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	278	176	483	299	171	1,407
1948	256	157	392	258	134	1,197
1949	243	137	406	283	155	1,224
1950	315	171	448	302	142	1,378
1951	312	187	527	357	192	1,575
1952	328	177	488	333	180	1,506
1953	254	138	480	348	192	1,412
1954	288	161	522	309	188	1,468
1955	311	170	528	371	213	1,593
1956	333	179	508	333	183	1,536
1957	235	124	353	254	120	1,087
1958 1/	250	137	401	263	134	1,185
	Percentage of total					
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1947	19.8	12.5	34.3	21.2	12.2	100.0
1948	21.4	13.1	32.7	21.6	11.2	100.0
1949	19.8	11.2	33.2	23.1	12.7	100.0
1950	22.9	12.4	32.5	21.9	10.3	100.0
1951	19.8	11.9	33.4	22.7	12.2	100.0
1952	21.8	11.8	32.4	22.1	11.9	100.0
1953	18.0	9.8	34.0	24.6	13.6	100.0
1954	19.6	11.0	35.6	21.0	12.8	100.0
1955	19.5	10.7	33.1	23.3	13.4	100.0
1956	21.7	11.6	33.1	21.7	11.9	100.0
1957	21.6	11.4	32.5	23.4	11.1	100.0
1958 1/	21.1	11.6	33.8	22.2	11.3	100.0

1/ Preliminary.

In the Georgia-Florida Belt, about 2½ million pounds--2 percent of estimated producers' sales--were taken under loan. In the Border Belt, nearly 36 million pounds--15 percent of estimated producers' sales--were placed under loan. In the Eastern Belt, loan receipts were about 50 million pounds, equal to 13½ percent of producers' sales. In the Middle Belt, about 16 million pounds, 13 percent of producers' sales, were received under loan. In the Old Belt, 41 million pounds--19 percent of producers' sales--were placed under loan. In the 1958 season, compared with 1957, the volume of loan receipts was up sharply in the Border and Eastern Belts.

Supplies

The 1958-59 total supply of flue-cured is 3,386 million pounds, down 3 percent from a year earlier and 8 percent from the record level 2 years earlier. The 1958 crop was about a tenth larger than 1957, but this was more than offset by a drop of about 200 million pounds or 8 percent in carryover from mid-1957 levels. Acreage harvested in 1958 was about 4 percent smaller than in the preceding year. Yields per acre, however, averaged 1,689 pounds--the highest on record. Every State producing flue-cured had an average per acre yield that exceeded any previous year. The 1958-59 total supply is over 2.8 times prospective disappearance, compared with a ratio of nearly 3.0 for 1957-58.

Carryover of flue-cured on July 1, 1959 will be reduced from year-earlier levels, and may total about 2,200 million pounds. The 1959 allotted acreage is practically the same as in 1958. However, most of the 66,000 allotted acres that were placed in the Soil Bank acreage reserve in 1958 will come back into production in 1959. If yields are equal to the average of recent years (excluding 1956) and a crop of 1,100 million pounds is obtained, 1959-60 total supplies--production plus carryover--may be about 3 percent smaller than in 1958-59.

Domestic Use and Exports

After declining for 4 years, domestic use of flue-cured gained in 1957-58. Domestic utilization at 736 million pounds was 4 percent above a year earlier--the low point in the last 10 years. The increase was mainly attributable to a gain in cigarette manufacture--the principal outlet for flue-cured used in this country. Domestic use of flue-cured in 1958-59 may again increase a little, as cigarette output seems likely to make a further gain during this period.

Exports of flue-cured in 1958-59 are expected to be a little below 1957-58 levels. Exports in the first third of the 1958-59 marketing year (July-October 1958) totaled 214 million pounds (farm-sales weight), 2½ percent less than in the like 1957 period. The volume exported in July-October 1957 represented a quantity that was more than usual of the marketing year's total, and it reflected active buying by export purchasers in the first half of the auction season. During July-October 1958, the top ranking importer, the United Kingdom, took 8 percent less than a year earlier. Australia, third ranking importer, received nearly a fourth less. On the other hand, exports to Germany, the second leading foreign market, jumped 85 percent over those

Table 11.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	741	845	1,586	704	338	366	22.9
1941-45	902	1,349	2,251	992	617	375	38.5
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953	1,272	1,852	3,124	1,209	778	431	52.8
1954	1,314	1,915	3,229	1,173	744	429	52.7
1955	1,483	2,056	3,539	1,281	728	553	52.7
1956	1,423	2,258	3,681	1,170	705	465	51.5
1957	975	2,511	3,486	1,178	736	442	55.4
1958 2/	1,078	2,308	3,386				*57.7

	Parity price 3/	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on Nov. 30, 1958 4/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	35.7	32.1	66.5	4.9	0
1947	44.4	40.0	232.3	17.6	0
1948	48.8	43.9	106.1	9.7	0
1949	47.2	42.5	103.5	9.3	0
1950	50.0	45.0	77.6	6.2	0
1951	56.3	50.7	142.2	9.8	0
1952	56.2	50.6	5/165.0	12.1	0
1953	53.2	47.9	151.4	11.9	0
1954	53.2	47.9	130.2	9.9	24.6
1955	53.7	48.3	298.9	20.2	227.5
1956	54.3	48.9	319.9	22.5	215.9
1957	56.5	50.8	107.8	11.1	89.6
1958	60.7	54.6	145.2	13.5	6/145.2
Total	---	---	2,046.6	---	6/702.8

1/ Year beginning July 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ Includes quantities that went under loan since November 30 report.

*Auction average.

in the same months of 1957. Larger quantities than a year earlier also went to Ireland (which doubled takings), Belgium, New Zealand and Egypt. Significant quantities were exported to Austria, Italy and The Phillippine Republic, which in July-October 1957, received little or none. Smaller shipments than a year earlier went to The Netherlands, Sweden, Denmark, Thailand and Indonesia.

Burley, Type 31

Prices

Burley auction markets began November 24, the earliest opening date on record. By December 19--when auctions closed for the holidays until January 5--gross sales totaled 402 million pounds that averaged 66.5 cents per pound. This price average is 5.0 cents or 8 percent higher than in the comparable period of last season. As with each crop since 1954, a very large proportion of the entire crop sold before the holiday closings. Approximately 80 percent of the 1958 crop has been marketed compared with 85 percent in the corresponding period last year.

In general, prices for all grades have exceeded those of last season. Many of the grades that ordinarily have significant volume increased 3 to 9 cents a pound over last season. Price spreads among grades have been generally narrower than for the 1957 crop and again approached the very narrow spreads that characterized the 1956 crop marketings. Differences between the price of burley in C4F grade (for years, one of the major cigarette grades) and prices of selected other grades have greatly diminished in recent years, as illustrated below:

	1953	1954	1955	1956	1957	1958 through mid-December
Average price of C4F	65	64	63	66	67	70
Price spread between C4F and:	Cents per pound lower than C4F					
X4F	0	2	1	1	1	1
C4R	6	8	3	1	3	2
B4F	9	12	4	1	4	2
B4FR	18	21	7	1	7	2
B4R	27	31	10	1	10	3
T4R	35	35	14	2	13	5
N1G	51	49	28	14	29	16

The Government support level for 1958 burley is 55.4 cents per pound--3.7 cents higher than for 1957 and 7.3 cents higher than for 1956. This amounts to a 15 percent increase in 2 years. However, deliveries for Government loan have been relatively small thus far this season as was the case during each of the last 2 seasons. Through December 19, only about 6.8 million pounds or 2 percent of deliveries had gone under Government loan. In the 1957 season, about 3 percent of the crop was placed under loan and in the 1956 season, only about 1 percent.

Under existing law, the level of support for the 1959 burley crop would be 90 percent of the applicable parity if marketing quotas are continued in effect. The adjusted base price for calculating the 1959 burley parity will be higher than that used to determine the 1958 parity. If the parity index should remain near the current level, the parity price for burley in 1959 may be 6 percent higher than it was when the support level for the 1958 crop was set.

Supplies

The 1958-59 total supply of burley tobacco is 1,768 million pounds--about 19 million pounds or 1 percent lower than for 1957-58. The 1958 crop, 483 million pounds, is a little smaller than last year's and the second smallest crop in 15 years. Harvested acreage declined nearly 2 percent below last year's and yields averaged 1,604 pounds per acre--slightly above 1957 and second highest on record. Carryover of burley on October 1 was 1,285 million pounds--about 1 percent lower than on that date in each of the previous 2 years. The peak carryover was on October 1, 1955, when stocks reached 1,347 million pounds. The 1958-59 total supply is about 3.4 times probable disappearance compared with nearly 3.6 for each of the previous 2 years.

The 1959 burley marketing quota and acreage allotment will be announced by the Secretary of Agriculture by February 1. Within 30 days following the announcement, growers will vote in a referendum on whether they favor the continuation of marketing quotas on the 1959, 1960 and 1961 crops. At least two-thirds of the growers voting must approve if quotas are to be in effect on the next three crops. In the last referendum held in December 1955, growers voted 95 percent in favor of quotas on the three crops to follow.

Domestic Use and Exports

During the year ended September 30, domestic use of burley at 475 million declined about 1 percent from the previous year and was the smallest since the war. Though relatively small, this decline from 1956-57 to 1957-58 occurred in the face of a 3 percent increase in output of cigarettes and a 7 percent increase in output of smoking tobacco between these two marketing years. The decline in burley use was in contrast to the appreciable gain in

Table 12.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	287	701	988	314	302	12	22.2
1941-45	448	730	1,178	437	424	13	40.0
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952	650	1,061	1,711	548	519	29	50.3
1953	564	1,163	1,727	529	494	35	52.5
1954	668	1,198	1,866	519	486	33	49.8
1955	470	1,347	1,817	516	482	34	58.6
1956	506	1,301	1,807	508	480	28	63.6
1957	488	1,299	1,787	502	474	28	60.3
1958 2/	483	1,285	1,768				*66.5

Year	Parity price 3/	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on Nov. 30, 1958 4/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	37.3	33.6	147.8	24.1	0
1947	44.8	40.3	37.7	7.8	0
1948	47.1	42.4	96.7	16.0	0
1949	44.8	40.3	39.1	7.0	0
1950	50.8	45.7	44.2	8.9	0
1951	55.3	49.8	97.3	15.7	1.4
1952	55.0	49.5	103.9	16.0	3.6
1953	51.8	46.6	102.1	17.9	41.8
1954	51.5	46.4	221.4	33.2	143.5
1955	51.3	46.2	73.1	15.6	64.7
1956	53.4	48.1	6.0	1.2	3.0
1957	57.4	51.7	16.6	3.4	15.8
1958	61.6	55.4	5/	5/	5/
Total	---	---	985.9	---	273.8

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures; includes approximately 12½ million pounds of 1951-54 crops in CCC inventories. 5/ Through December 19, about 7 million pounds--1.7 percent of gross sales placed under loan.
*Auction price through December 19.

domestic use of flue-cured in the past year. An appreciable part of the drop in the use of burley is indicated in the final quarter of the marketing year. If the rate of use returns to that for the year just prior to the July-September period of 1958, the domestic use of burley is likely to increase some in the current marketing year. A further rise is expected in cigarette output. Comparatively little change is expected in smoking tobacco output in the year ahead, but output of plug chewing is likely to continue to decline. The last two categories are secondary outlets for burley tobacco.

Exports of burley tobacco at 28 million pounds (farm-sales weight) in the year ended September 30 held even with a year earlier, though still below nearly all other postwar years. West Germany, the leading foreign outlet, took 13 percent less than in 1956-57 but still the third largest quantity for any year. Sweden, ranking second among burley importers, took 52 percent more in 1957-58 than in 1956-57 and more than in any previous year. Portugal, ranking third, took 70 percent more than the small 1956-57 quantity, but this was still well below most previous years. Mexico and Italy, the next ranking takers, took 13 and 33 percent more, respectively, than in 1956-57. Shipments Belgium continued to fall off and in each of the last 2 years, have been sharply below previous years. Netherlands took moderately more burley than the small 1956-57 quantity but still much less than in each of the previous 3 years. Moderately less went to Egypt and Norway than a year earlier but a little more was shipped to France, Australia and United Kingdom. Considerably less burley went to Denmark, Switzerland and Finland in 1957-58 than in 1956-57.

Maryland, Type 32 3/

Prices

The 1958 Maryland crop will go to auctions next spring and summer. Auction markets usually open in May and run until late July or early August. Approximately a tenth of the Maryland crop is generally sold at the Baltimore hogshead market.

The support level for the 1958 crop is 50.8 cents a pound, 2.8 cents higher than in the preceding season. Prices for the 1957 crop averaged 45.2 cents per pound-- 6½ cents lower than for the 1956 crop. There was a considerable quantity of low quality tobacco in the 1957 crop. About 15 percent of the market deliveries was placed under Government loan.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year-- the 12-month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

Table 13.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	27.5	38.4	65.9	26.5	21.1	5.4	19.7
1941-45	29.4	44.1	71.5	29.7	27.1	2.6	48.9
1946	46.2	32.4	78.6	34.0	28.3	5.7	44.5
1947	37.8	44.9	82.7	34.3	27.0	7.3	42.8
1948	35.0	46.9	81.9	37.0	27.7	9.3	54.4
1949	41.2	45.5	86.7	35.4	28.0	7.4	48.3
1950	40.0	53.4	93.4	35.5	27.1	8.4	48.2
1951	41.6	59.3	100.9	33.3	26.7	6.6	44.8
1952	40.2	64.9	105.1	40.3	32.5	7.8	48.8
1953	40.5	65.4	105.9	36.4	28.4	8.0	54.5
1954	43.8	68.6	112.4	36.1	27.9	8.2	40.3
1955	31.5	77.5	109.0	38.6	25.7	12.9	50.8
1956	36.5	69.7	106.2	34.9	21.4	13.5	51.7
1957	38.5	69.4	107.9	37.0	25.3	11.7	45.2
1958 3/	33.2	*71.0	104.2				

Year	Parity price 4/	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on Nov. 30, 1958 5/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	30.0	27.0	0	---	0
1947	36.2	32.6	0	---	0
1948	48.8	43.9	3.0	8.6	0
1949	46.5	41.8	2.6	6.3	0
1950	56.5	48.6	5.5	13.8	0
1951	60.6	Price supports not in effect 6/			
1952	58.5	..... do. 6/			
1953	56.0	50.4	6.7	18.1	4.5
1954	53.5	Price supports not in effect 6/			
1955	53.1	..... do. 6/			
1956	52.2	47.0	3.3	9.0	1.5
1957	53.3	48.0	5.9	15.3	5.1
1958	56.4	50.8	To be marketed mostly next spring and summer		
Total	---	---	27.0	---	11.1

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed or October 1. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ No support since marketing quota was not approved by two-thirds of growers voting. *Estimated.

Under present law, 1959 crop Maryland tobacco must be supported at 90 percent of the applicable parity price, if marketing quotas are continued in effect.

Supplies

The 1958 crop of Maryland is estimated at about 33.2 million pounds--over an eighth less than the 1957 crop and, except for 1955, the smallest in 12 years. Although allotments for most growers in 1958 were the same as in 1957, substantially more acreage was placed in the Soil Bank. Harvested acreage in 1958 was 8 percent less than a year earlier. Average yield per acre, at 975 pounds, was 6 percent below the record yield in 1957 but otherwise the highest yield ever obtained.

This year's crop added to the estimated carryover of about 71 million pounds on January 1, 1959 will provide a total supply of 104 million pounds. This is 3 percent less than for last year, and 7 percent below the peak level of 4 years ago.

The 1959 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1. Within 30 days following the announcement, growers will vote in a referendum on whether they favor marketing quotas for their 1959, 1960 and 1961 crops. Approval by two-thirds of the growers voting is required to place marketing quotas in effect. In the last referendum, 81 percent of the Maryland growers voting approved marketing quotas for the three crops to follow.

Domestic Use and Exports

Domestic use of Maryland tobacco in the year ended September 30, 1958 was about 25 1/3 million pounds--nearly 4 million more than the unusually low figure in 1956-57. Even with the upturn, however, less Maryland was used last season than in previous postwar years, when annual usage generally ran about 27-28 million pounds. Although the major domestic outlet for Maryland is in cigarettes, the gain in 1957-58 use may have been due to increased use as cigar filler, which utilizes lower-priced grades of Maryland.

Exports of Maryland tobacco in the year ended September 30 totaled 11.7 million pounds (farm-sales weight)--13 percent below the postwar peak shipments a year earlier and 9 percent below 2 years earlier. Annual exports in 1946-54 averaged 7.6 million pounds. Switzerland, as usual the leading outlet, accounted for nearly three-fifths of total 1957-58 exports. Swiss takings were about the same as a year earlier, but were over an eighth less than 2 years earlier. Exports to Germany, second ranking outlet, were only 40 percent of her record takings in 1956-57. The Netherlands and Tunisia increased takings by more than a fifth and a third, respectively. Austria received a sizable shipment in contrast to none in the preceding year. On the other hand, exports to Belgium, Portugal and France dropped 34 percent, 45 percent and 37 percent, respectively. Exports to Spain declined slightly.

Fire-Cured, Types 21-23

Prices

Auction markets for Virginia fire-cured tobacco (type 21) began on December 1. For sales through December 18, prices averaged 37.8 cents per pound compared with 39,2 cents a year earlier. Markets are closed from December 19 until January 5. Quality of offerings was generally poorer than in the comparable period a year ago. Auctions for Kentucky and Tennessee fire-cured begin around January 13.

The Government support level for 1958 fire-cured is 38.8 cents a pound--the same as for the 1957 crop. Supports for Virginia fire-cured, type 21, and Kentucky-Tennessee fire-cured, types 22-23, are based on 75 percent of the burley support, but they cannot go above their 1957 support levels unless 90 percent of their own parities exceeds those levels. In the Virginia markets thus far, about 17 percent of gross sales have been delivered for Government loans, compared with 10 percent in the corresponding period of a year ago.

Supplies

The 1958-59 total supply of fire-cured tobacco, nearly 180 million pounds, is down 8 percent from 1957-58 to a record low. Both production and carryover were reduced appreciably from year-earlier levels. The 1958 crop at close to $46\frac{1}{2}$ million pounds is 8 percent below that of 1957 and of any previous year. Harvested acreage declined 14 percent, attributable to a reduction in allotments and substantial placements in the Soil Bank acreage reserve. The average yield per acre was the second most favorable on record. The October 1, 1958 carryover was 9 percent smaller than that on the same date in 1957.

Supplies of Virginia fire-cured are a little less than in 1957-58, attributable to a smaller carryover; the 1958 crop is estimated to be up 9 percent, but the comparability with the 1957 figure is affected by the reclassification this year of acreage on farms which had initial allotments of both fire-cured and sun-cured. A lower carryover and a reduced crop of the Kentucky-Tennessee fire-cured types provide 1958-59 supplies 10 percent below a year earlier.

The 1958-59 total supply of fire-cured is about 2.9 times probable disappearance compared with a ratio of 3.1 in 1957-58 and 3.3 in 1956-57. Government loan stocks are relatively large--they consist predominantly of 1956- and 1957-crop tobacco.

Marketing quotas will be in effect for 1959 fire-cured, as growers have approved quotas for their 1958-60 crops. The 1959 marketing quotas and acreage allotments for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1. Allotments of Virginia fire-cured (type 21) and of Virginia sun-cured (type 37) have been combined on farms which formerly had allotments of both types.

Table 14.--Fire-cured tobacco, types 21-23 1/: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 2/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1941-45	66.1	170.7	236.8	81.9	49.6	38.3	22.1
1946	108.9	105.1	214.0	70.6	36.2	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	77.9	34.7	43.2	31.9
1949	72.2	157.9	230.1	65.2	36.5	28.7	29.8
1950	58.3	164.9	223.2	76.0	36.7	39.3	31.2
1951	59.5	147.2	206.7	59.8	32.2	27.6	40.0
1952	58.2	146.9	205.1	58.8	29.6	29.2	37.6
1953	48.9	146.3	195.2	61.2	32.9	28.3	33.8
1954	62.2	134.0	196.2	59.1	29.9	29.2	37.8
1955	65.2	137.1	202.3	64.6	31.2	33.4	37.3
1956	70.6	137.7	208.3	62.7	32.4	30.3	36.6
1957	50.5	145.6	196.1	62.9	33.7	29.2	36.8
1958 3/	46.4	133.2	179.6				

Year	Parity price 4/	Price support level 5/	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on Nov. 30, 1958 6/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	17.8	25.2	40.8	37.5	0
1947	21.5	30.2	31.3	36.2	0
1948	22.6	31.8	27.3	37.3	0
1949	21.5	30.2	18.7	25.9	0
1950	30.3	34.3	12.2	20.9	0
1951	33.6	37.4	7.5	12.6	1.2
1952	34.8	37.1	10.9	18.7	.9
1953	34.4	35.0	8.2	16.8	.6
1954	34.8	34.8	6.9	11.1	4.4
1955	35.8	34.6	9.7	14.9	7.5
1956	36.2	36.1	20.4	28.9	17.5
1957	38.8	38.8	14.9	29.5	13.4
1958	7/	5/38.8	8/	8/	8/
Total	---	---	208.8	---	45.5

1/ Type 24 included until early 1950's when it became practically nonexistent. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed. 5/ Set at 75 percent of burley support, but from 1958 on, not to exceed 1957 level unless 90 percent of fire-cured parities exceeds such level. 6/ Actual loan stocks on a packed-weight basis average somewhat less than these farm-sales weight figures. 7/ Parities for fire-cured types separated; they are 41.8 cents, Virginia type 21; 41.2 cents, Kentucky-Tennessee types 22-23. 8/ About 17 percent of Virginia fire-cured sales placed under loan through mid-December.

Domestic Use and Exports

In the marketing year ended September 30, total disappearance of fire-cured at nearly 63 million pounds was approximately the same as in the preceding year. Although domestic disappearance increased about 1-1/3 million to the highest in 7 years, lower exports offset the gain. As the manufacture of snuff-the principal domestic outlet for the fire-cured types--declined $4\frac{1}{2}$ percent during October 1957-September 1958, the gain in domestic use may be indicative of increased use of fire-cured in other products.

Disappearance of fire-cured in the current marketing year (October 1958-September 1959) may approach last year's level. Snuff manufacture may hold near the 1957-58 level.

In the year ended September 30, exports of fire-cured were about $29\frac{1}{4}$ million pounds (farm-sales weight)--4 percent less than in the previous year. Nearly all of the decline was in Kentucky-Tennessee fire-cured, which made up about four-fifths of the total. Leading outlets for Kentucky-Tennessee fire-cured in 1957-58 were The Netherlands, France, Switzerland, Belgium, Belgian Congo and Sweden. Exports to The Netherlands were 7 percent less than in 1956-57 but still exceeded those in each of the 2 preceding years. Sweden also took 7 percent less than a year earlier. France increased her takings by more than 50 percent. Exports to Switzerland were up moderately, while those of Belgium rose by nearly a fourth, and to Belgian Congo, more than doubled. Other countries receiving sizable quantities in 1957-58 were Egypt, Germany and Indonesia. Takings by Italy and Viet Nam were only a fourth and a fifth, respectively, of those a year earlier.

Exports of Virginia fire-cured, which comprised about one-fifth of total fire-cured tobacco exports, were only slightly lower in 1957-58 than in 1956-57. Norway accounted for a third of all exports of Virginia fire-cured in 1957-58 and took 7 percent more than in the previous year. Exports to Germany more than doubled, while sharply increased shipments also went to United Kingdom and Sweden. Other countries which took more in 1957-58 than in 1956-57 were Switzerland and New Zealand. But shipments to Austria dropped to a third of those a year earlier and The Netherlands' takings were cut in half.

Dark Air-Cured and Sun-Cured, Types 35-37

Prices

Auction markets for One Sucker and Green River (Kentucky-Tennessee dark air-cured, types 35 and 36) opened on varying dates in the first half of December. For sales through December 18, type 35 prices averaged 37.7 cents per pound and type 36, 36.8cents. A year earlier, type 35 prices averaged 36.4 cents, and type 36, 34.8 cents. Auctions at Richmond opened for Virginia sun-cured (type 37) December 9, and through December 19, prices averaged 37.8 cents per pound, compared with 35.0 cents in the like 1957 period.

Table 15.--Dark air-cured and sun-cured tobacco, types 35-37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
Average:	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1941-45	37.0	64.4	101.4	39.8	33.9	5.9	20.6
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.5	22.7	14.8	28.7
1949	36.2	74.5	110.7	29.9	23.1	6.8	28.2
1950	28.6	80.8	109.4	36.4	25.6	10.8	24.6
1951	31.7	73.0	104.7	30.1	21.5	8.6	34.3
1952	33.8	74.6	108.4	29.3	22.7	6.6	31.6
1953	26.6	79.1	105.7	29.9	22.8	7.1	25.9
1954	34.1	75.8	109.9	29.1	19.0	10.1	34.1
1955	31.1	80.8	111.9	26.5	20.5	6.0	31.1
1956	33.9	85.4	119.3	36.4	25.2	11.2	34.1
1957	22.5	82.9	105.4	27.4	20.5	6.9	35.9
1958 2/	20.0	78.0	98.0				

Year	Parity price 3/		Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on Nov. 30, 1958 5/
	Types 35-36	Type 37		Quantity	Percentage of crop	
	Ct.	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	14.3	19.1	22.4	15.7	31.7	0
1947	17.2	23.1	26.9	14.5	39.0	0
1948	18.1	24.2	28.3	8.9	25.6	0
1949	17.2	23.1	26.9	4.0	11.0	0
1950	27.2	34.2	30.5	4.1	14.3	0
1951	29.6	37.5	33.2	7.4	23.3	7/3.7
1952	30.5	37.7	33.0	6/9.9	29.3	7/4.7
1953	30.2	35.6	31.1	7.5	28.2	7/1.8
1954	29.4	34.5	30.9	7.3	22.5	5.6
1955	30.4	34.1	30.8	6.3	20.0	4.9
1956	31.0	33.0	32.1	6.7	19.8	6.0
1957	33.2	35.5	34.5	3.0	13.3	2.6
1958	36.0	37.5	4/34.5	8/	8/	8/
Total	---	---	---	95.3	---	7/29.3

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Set at 66-2/3 percent of burley support, but from 1958 on, not to exceed 1957 level unless 90 percent of dark air- and sun-cured parities exceed such level. 5/ Actual loan stocks on a packed-weight basis are less than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but were purchased and shipped by mid-1953. 7/ Includes about 7 million pounds of 1951-53 tobacco which was recently sold. 8/ Through December 19, about 3 percent of Kentucky-Tennessee types 35-36 deliveries went under loan.

The Government price support level for 1958 dark air-cured and sun-cured tobacco is 34½ cents--the same as last season. The support for dark air- and sun-cured is based on 66-2/3 percent of the burley support level, but cannot go above their 1957 support unless 90 percent of their own parities exceeds that level.

Through December 18, about 3 percent of auction market offerings of One Sucker and 3½ percent of those of Green River were placed under loan. In the corresponding period a year ago, about 15 percent of each type were delivered for loans. Loan receipts of Virginia sun-cured were negligible, as is customary for this type.

Supplies

The 1958-59 total supply of dark air- and sun-cured at 98 million pounds is 7 percent below 1957-58 and the smallest in many years. Carryover stocks, 78 million pounds, were nearly 5 million less than on October 1,1957 and the lowest since 1954. The 1958 crop at about 20 million pounds was 11 percent below last year's comparatively small crop, and the smallest on record. Production of One Sucker and Green River are down 8 percent and 9 percent, respectively, from 1957 levels. The Virginia sun-cured crop is estimated at nearly a third smaller than last year's. But comparability with the 1957 production estimate is affected by the re-classification this year of acreage on farms which had initial allotments of both sun-cured and fire-cured. Average yields per acre for the types 35-36 were about 5 percent higher than last year's, although below the 1956 record average. Average yields for Virginia were a record high.

The 1958-59 supply of dark air- and sun-cured tobacco is nearly 3.6 times prospective disappearance, compared with a ratio of over 3.8 in 1957-58. Government loan stocks are relatively large.

Marketing quotas and acreage allotments for 1959 dark air-cured and Virginia sun-cured tobacco will be announced by February 1. Growers of dark air-cured, types 35-36, approved marketing quotas for their 1958-60 crops last February. But growers of Virginia sun-cured, type 37, will vote soon after the quota is announced on whether they favor marketing quotas for their 1959, 1960 and 1961 crops. Approval by at least two-thirds of the growers voting is necessary to continue quotas in effect.

Domestic Use and Exports

In the current marketing year (October 1958-September 1959) total disappearance of types 35-37 is not expected to differ markedly from the 27-1/3 million pounds of 1957-58. Although manufacture of chewing tobacco--chief outlet for dark air- and sun-cured--is expected to continue its downtrend, a factor affecting the level of domestic disappearance will be the quantities going into nonchewing uses. In the past year, domestic use at 20 1/2 million pounds was nearly 5 million less than in 1956-57, a year in which, apparently, more dark air-cured than usual was used in nonchewing.

Exports of dark air- and sun-cured in 1957-58 at 6.9 million pounds (farm-sales weight) were 38 percent below the unusually large shipments a year earlier; exports in 1956-57 were swelled by sales of One Sucker and Green River from loan stocks at reduced prices. A substantial part of dark air-cured tobacco exports is in the form of Black Fat--a semiprocessed product. Exports of Black Fat in 1957-58 were more than an eighth above 1956-57 and the largest in 3 years. All principal outlets increased their takings over last year's levels. Nearly half of the total went to Nigeria, which took 7 percent more than a year earlier. Ghana, second ranking outlet, received 8 percent more. French West Africa, third leading market, took 44 percent more than a year ago, but this was still substantially below takings in 1954-55. Quantities shipped to Cameroon and Canary Islands also were more than a year earlier, but less went to Spanish Africa.

Exports of One Sucker and Green River in leaf form dropped sharply in 1957-58 from year-earlier levels. Much of the 1956-57 shipments went to Union of South Africa, which took none in 1957-58. Green River exports were nearly 30 percent below 1956-57; exports to the United Kingdom were down by a fifth, those to Belgium, about a tenth. Exports to Belgian Congo increased by about a fourth. Portugal took about a half-million pounds in contrast to none a year earlier.

One Sucker leaf exports in 1957-58 were only a sixth of the unusually large total in the preceding year. Belgium, the leading outlet, took only 60 percent as much as in 1956-57, and less also went to Finland.

Cigar, Types 41-62

Parity Price Hearing Held for Connecticut Valley Binder Tobacco

A public hearing dealing with the parity price of Connecticut Valley binder tobacco was held by the U. S. Department of Agriculture on December 18 in West Springfield, Massachusetts. The hearing was requested by a cross section of producers of Broadleaf, type 51, and Havana Seed, type 52, under the authority of the Agricultural Adjustment Act of 1938 as amended. The hearing was held to determine (1) whether the parity price of Connecticut Valley cigar binder tobacco is seriously out of line with the parity prices of other agricultural commodities and (2) the proper relationship between the parity price of this tobacco and the parity prices of other agricultural commodities.

A preliminary study of price relationships by the Department indicated that the parity price of Connecticut Valley binder tobacco may be seriously out of line with the parity prices of other agricultural commodities. Therefore, the hearing was scheduled. Producers and other interested persons presented material relevant to the subject of the hearing. Consideration will be given to the material presented at the hearing and any other material related to the subject that is available to the Department.

If the facts require a revision of the method of computing the parity price for Connecticut Valley binder tobacco, types 51-52, revisions will be issued by the Secretary of Agriculture.

Cigar Leaf Prices

Most cigar tobacco is sold at the "barn door" during the fall and winter. The demand for Pennsylvania filler was strong this season--prices averaged about 27½ cents per pound, well above the 20½ cent average of last year, when quality was poor. The average price for the 1958 crop is 12 and 15 percent above the price averages for the 1955 and 1956 crops.

The comparatively small 1958 crops of Connecticut Valley binder have mostly been sold. Preliminary indications are that Broadleaf (type 51) prices averaged fairly close to last season's 50.5 cents per pound but the Havana seed (type 52) prices were 10 to 15 percent above the 44-cent average for 1957 crop. With production of both types at extremely low levels, only a little will be placed under Government loan.

Marketing of Wisconsin types 54 and 55 usually begin in January.

Government support prices for 1958 crops of eligible cigar types are shown in table 17. Price support for 1958 crop Broadleaf (type 51) is available only on an unsorted basis. The support prices for the continental types are based on 90 percent of parity as provided by law when marketing quotas are in effect.

The support price for the Puerto Rico filler crop to be marketed in the first half of 1959 is 31.2 cents per pound--1.3 cents less than last season's level. A Federal market quota is not in effect for Puerto Rican tobacco, and its price support is set in accordance with a sliding scale in which the total supply is a factor. The announced support level reflects 90 percent of parity as of October 1, 1958.

Under existing law, the 1959 crops of Connecticut Valley binder types and Ohio filler-Wisconsin binder types will be supported at 90 percent of parity, inasmuch as marketing quotas will be in effect on these types. Pennsylvania filler (type 41) growers will vote before their next planting season on whether they favor a marketing quota on their 1959, 1960 and 1961 crops. If marketing quotas are disapproved, price support cannot be made available. In each previous referendum held for Pennsylvania filler tobacco, growers have disapproved marketing quotas.

Supplies of Filler and Binder

Filler: The 1958-59 total supply of the continental cigar filler types grown in Pennsylvania and Ohio is 178 million pounds--2 percent above

Table 16.--Cigar tobacco types: Government price support levels, 1956-58, and season average prices, 1956-57

Type	1956		1957		1958
	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Ohio cigar filler, types 42-44	23.4	22.0	23.2	22.8	23.4
Puerto Rican filler, type 46	31.4	30.8	32.5	2/27.5	31.2
Connecticut Valley Broadleaf binder, type 51	52.5	59.0	53.8	50.0	3/56.2
Connecticut Valley Havana Seed binder, type 52	49.0	42.3	48.8	44.9	48.0
Southern Wisconsin binder, type 54	22.8	26.1	23.3	31.1	25.5
Northern Wisconsin binder, type 55	29.6	30.9	29.9	33.5	31.0

1/ For Pennsylvania Havana Seed, type 53: 1956, 23.6 cents; 1957, 23.3 cents; and 1958, 25.5 cents.
2/ Preliminary indication.
3/ Broadleaf (type 51) is not being supported on a sorted basis; the support level on an unsorted basis is less than 56.2 cents per pound.

Table 17.--Cigar tobacco price support operations, quantities placed under loan, 1946-57, and remaining under loan Nov. 30, 1958

Crop year	Ohio, types 42-44	Puerto Rican, type 46	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1946	0	10.6	0	0	2.2	0	12.8
1947	0	10.3	0	0	.8	0	11.1
1948	0	12.3	0	0	2.0	3.0	17.3
1949	0	9.3	.1	3.2	.2	.5	13.3
1950	2.6	.3	.1	3.7	1.4	.6	1/11.5
1951	.6	1.1	1.7	2.7	4.8	.1	1/11.0
1952	2/	1.4	2/	2/	2/	2/	1.4
1953	2.7	1.4	3/	1.8	2.4	1.9	1/10.3
1954	1.2	5.1	.8	3.4	1.3	.9	12.7
1955	.8	2.8	7.8	5.2	.4	3.1	20.1
1956	.4	1.5	1.7	1.6	.1	.9	6.2
1957	.1	1.5	2.5	.4	---	.3	4.8
1958 *							
Total	8.4	57.6	14.7	22.0	15.6	11.3	1/132.5
Remaining as of Nov. 30, 1958	0	0	7.2	6.0	.5	1.5	13.7

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana seed (type 53).
2/ Price support not in effect because marketing quotas were disapproved by growers.
3/ Less than 50,000 pounds.
* Small quantities of types 51-52 went under loan by late December.

the long-time low of a year earlier. The rise in supply is due to the substantial increase in this year's outturn of the Pennsylvania type; the Ohio crop was reduced by excessive rains. The Pennsylvania production was nearly a fourth greater than the 1957 crop; yields rose to a new high. Carryovers of both the Pennsylvania and Ohio filler types were lower than a year ago. Total supply of the Ohio filler is the smallest on record--down about a third from 5 years ago.

October 1 stocks of Puerto Rican tobacco at 49.6 million pounds were only slightly below a year earlier, but well below October 1 stocks of 1956 and 1955. About 48 percent were held on the mainland and 52 percent on the Island. The Puerto Rican Government set 25 million pounds as the quota level for the c crop to be harvested in the aearly months of 1959. If the actual crop should turn out to be this size, the total 1958-59 supply of Puerto Rican tobacco at around 75 million pounds will be 3 percent below 1957-58 and probably the smallest in 6 years.

Binder: The 1958-59 total supply of Connecticut Valley binder (types 51-52) is 43 million pounds--down 20 percent from 1957-58 and the smallest on record. The relatively large acreage placed in the Soil Bank by Connecticut Valley growers resulted in the smallest acreage in actual production for any year on record. The combined Broadleaf and Havana Seed crops at 5 million pounds were 40 percent below the already low 1957 production and over 80 percent below the 1950-54 average (pre-Soil Bank years). Allotment cuts have contributed to drops in production in recent years. The October 1 carryover of Connecticut Valley binder types totaled about 38 million pounds--17 percent below a year earlier and 32 percent less than the 1950-54 average.

The 1958-59 total supply of Wisconsin binder types 54-55 is about 68 million pounds--down 6 percent from 1957-58 and below any previous year. Participation of Wisconsin tobacco growers in the Soil Bank acreage reserve program was relatively much less than that of growers in the Connecticut Valley; aided by favorable yields, production of the Wisconsin types was fairly well maintained during the last 3 or 4 years. Harvested acreage in Wisconsin was above each of the two previous years and production increased some; but this was more than offset by a decline in carryover. The October 1 carryover of the Wisconsin types at about 46½ million pounds was 11 percent below a year earlier and the smallest on record. Carryover of Northern Wisconsin, type 55, dropped quite sharply from the fairly stable level of the 4 preceding years.

1959 Cigar Filler and Binder Allotments

The 1959 marketing quotas and acreage allotments for Connecticut Valley binder (types 51-52) and Ohio filler-Wisconsin binder (types 42-44 and 54-55) will be announced by February 1, 1959. The application of quotas to the 1957, 1958 and 1959 crops was approved in referendums held February 1957. The Soil Bank

Table 18.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, 1947-58

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Cents
Pennsylvania Seedleaf (type 41)							
1947	52.1	98.5	150.6	50.8	49.3	1.5	30.5
1948	57.4	99.8	157.2	51.2	50.5	.7	26.3
1949	54.2	106.0	160.2	44.4	43.7	.7	26.4
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	43.0	42.9	.1	20.5
1958 2/	51.0	103.5	154.5				
Ohio, Miami Valley (types 42-44)							
1947	8.4	23.7	32.1	8.2	8.2		31.0
1948	10.9	23.9	34.8	8.9	8.9		23.0
1949	11.2	25.9	37.1	9.1	9.1		25.0
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958 2/	2.9	20.5	23.4				
Puerto Rico (type 46)							
1947	26.1	74.0	100.1	32.1	30.6	1.5	27.5
1948	27.0	68.0	95.0	41.8	32.9	8.9	27.0
1949	26.0	53.2	79.2	28.1	25.9	2.2	20.0
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.4	.1	30.0
1958 2/	25.0	49.6	74.6				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Based on announced quota.

acreage reserve program will not be available in 1959 and, consequently, a substantial part of allotted acreage can be returned to production. This is especially important with reference to production prospects in the Connecticut Valley in 1959 as compared with the last 2 or 3 years.

A marketing quota for Pennsylvania filler, type 41, will be announced before February 1. Growers will vote soon after the announcement on whether they favor marketing quotas on their 1959, 1960 and 1961 crops. At least two-thirds of the growers voting must approve if marketing quotas are to be placed in effect. The last time (December 1955) that a referendum on Pennsylvania filler, type 41, was held, quotas on the next three crops were disapproved by a large percentage of those voting. In contrast with other eligible kinds of tobacco, marketing quotas have never been in effect on Pennsylvania filler tobacco.

Supplies of Shade-grown Wrapper

The total supply of cigar wrapper, types 61-62, for the marketing year beginning July 1, 1958 is 37.8 million pounds. This is a little more than the previous high of a year earlier, and is mainly due to the increased carryover of the Connecticut Valley type 61. The 1958 production in both the Connecticut Valley and Georgia-Florida areas was lower than 1957. The increase in the July 1 carryover of Connecticut Valley wrapper tobacco was enough to raise its total supply to a new high. The smaller increase in carryover of Georgia-Florida wrapper was overbalanced by the decrease in production; as a result, its total supply is down a little from last year's record level.

October 1 stocks of Connecticut Valley wrapper held by dealers and manufacturers were nearly a fourth larger than a year earlier, while October 1 stocks of Georgia-Florida wrapper were down a little.

Domestic Use and Exports

Filler: Total disappearance (predominantly domestic use, since exports are very small) of Pennsylvania filler in the year ended September 30 was 43 million pounds--8 percent below a year earlier and well below most postwar years. Total disappearance of Puerto Rican filler was almost 27½ million pounds--12 percent below a year earlier and also below nearly all other postwar years. Though disappearance of the much smaller Ohio filler types totaled about 7-1/4 million pounds and was three-fourths of a million pounds greater than in 1956-57, it, too, was considerably lower than in all except two postwar years. Probably noncigar types were used for cigar filler to a greater extent than usual in 1957-58. Another factor tending to reduce total cigar filler use in recent years is the greater number of cigarillo size cigars than formerly.

Table 19 --Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, 1947-58

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Broadleaf (type 51)							
1947	15.0	28.6	43.6	13.3			51.0
1948	14.0	30.3	44.3	17.8	13.5	4.3	60.0
1949	14.1	26.5	40.6	12.9	11.8	1.1	53.0
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958 2/	3.2	22.2	25.4				
Connecticut Valley Havana Seed (type 52)							
1947	15.1	16.5	31.6	12.2			73.3
1948	14.6	19.3	33.9	14.1	9.4	4.7	62.3
1949	14.7	19.8	34.5	9.5	7.4	2.1	41.9
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958 2/	1.7	15.9	17.6				
Total Connecticut Valley (types 51-52)							
1947	30.1	45.1	75.2	25.6			62.2
1948	28.6	49.6	78.2	31.9	22.9	9.0	61.2
1949	28.8	46.3	75.1	22.4	19.2	3.2	47.4
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958 2/	4.9	38.1	43.0				

1/ Year beginning October 1.

2/ Subject to revision.

Table 20.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, 1947-58

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
			Southern Wisconsin (type 54)				
1947	15.8	37.9	53.7	16.5			22.3
1948	11.9	37.2	49.1	9.3	8.9	.4	22.4
1949	12.6	39.8	52.4	12.3	12.3		22.8
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958 2/	8.6	20.0	28.6				
			Northern Wisconsin (type 55)				
1947	21.5	37.6	59.1	22.9			34.9
1948	18.4	36.2	54.6	19.4	17.7	1.7	23.0
1949	18.8	35.2	54.0	13.2	13.0	.2	28.5
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958 2/	12.7	26.6	39.3				
			Total Wisconsin types (54-55)				
1947	37.3	75.5	112.8	39.4			29.6
1948	30.3	73.4	103.7	28.7	26.6	2.1	22.7
1949	31.4	75.0	106.4	25.5	25.3	.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	83.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958 2/	21.3	46.6	67.9				

1/ Year beginning October 1.

2/ Subject to revision.

Table 21.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, 1947-58

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
	Connecticut Valley Shade-grown (type 61)						
1947	9.3	10.1	19.4	8.7			310.0
1948	9.8	10.7	20.5	8.4			290.0
1949	11.1	12.1	23.2	9.6			205.0
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958 2/	10.9	13.1	24.0				
	Georgia-Florida Shade-grown (type 62)						
1947	4.2	3.2	7.4	3.6			265.0
1948	5.3	3.8	9.1	4.6			245.0
1949	6.2	4.5	10.7	4.8			195.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			185.0
1958 2/	6.3	7.5	13.8				
	Total Shade-grown (types 61-62)						
1947	13.5	13.4	26.9	12.4			296.0
1948	15.1	14.5	29.6	13.0	10.5	2.5	274.0
1949	17.3	16.6	33.9	14.5	10.8	3.7	201.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	197.0
1958 2/	17.2	20.6	37.8				

1/ Year beginning July 1.
2/ Subject to revision.

Binder: The domestic use of Connecticut Valley binder, types 51-52, in the year ended September 30 at 14 million pounds was 18 percent less than a year earlier and the lowest on record. The 1957-58 domestic use of Broadleaf (type 51) was 32 percent below 1956-57 and below any previous year. The 1957-58 domestic use of Havana Seed (type 52) increased about 10 percent from the very low level of 1956-57 but was smaller than in any other year. Exports of both types totaled less than 2 million pounds (farm-sales weight)-- roughly 1 million less than in 1956-57 when they were at an 8-year high due to a substantial shipment to Spain. West Germany took more Havana Seed and Broadleaf in October 1957-September 1958 than a year earlier. Belgium took more Broadleaf but considerably less Havana Seed than the sizable quantity of 1956-57. Havana Seed takings by Netherlands increased but Broadleaf takings were down. Denmark got considerably more Broadleaf than usual.

The 1957-58 domestic use of Wisconsin tobacco at a little over 23 million pounds was down about 1 million pounds from 1956-57. There was a sharp drop in domestic use of Southern Wisconsin (type 54) from the 5-year high of 1956-57 but domestic use of Northern Wisconsin (type 55) in 1957-58 was appreciably above each of the previous 2 years. Also 1957-58 exports of Northern Wisconsin tobacco at nearly $2\frac{1}{4}$ million pounds (farm-sales weight) were far above the usual quantities of this type exported. Most of these relatively large Wisconsin tobacco exports went to Germany in the first quarter of the October 1957-September 1958 marketing year. Sweden and Mexico, though taking far less than Germany, also got larger quantities of Wisconsin tobacco than usual in 1957-58.

Wrapper: Domestic use of shade-grown wrapper, types 61-62, in the year ended June 30 totaled 11.4 million--not much different from each of the two previous years but below the 1952-54 level. On the other hand, 1957-58 exports at 5.3 million pounds (farm-sales weight) were over a sixth larger than 1956-57 and a record high. Shipments to West Germany increased by nearly a fifth. During July-October (first third of the 1958-59 marketing year), cigar wrapper exports were 20 percent above the high rate of the same period of a year earlier. West Germany increased takings 8 percent. Canada took a little less, but this was more than offset by increases to Brazil and East Germany.

During January-June 1958, exports of shade-grown wrapper were composed of 54 percent, Connecticut Valley (type 61) and 46 percent, Georgia-Florida (type 62). During July-October 1958, the composition was 81 percent, Connecticut Valley and 19 percent, Georgia-Florida.

Table 22.--Tobacco leaf represented in stocks of tobacco sheet at beginning of each quarter of 1958 1/

(Actual weight)

Type and date	Stemmed	Unstemmed	Stemmed plus unstemmed
	1,000 pounds	1,000 pounds	1,000 pounds
Flue-cured (types 11-14)			
January 1	877	---	877
April 1	993	---	993
July 1	846	---	846
October 1	651	---	651
Burley (type 31)			
January 1	617	---	617
April 1	619	---	619
July 1	508	---	508
October 1	417	---	417
Subtotal, for cigarettes			
January 1	1,494	---	1,494
April 1	1,612	---	1,612
July 1	1,354	---	1,354
October 1 2/	1,070	---	1,070
Pennsylvania (type 41)			
January 1	83	103	186
April 1	182	295	477
July 1	97	365	462
October 1	63	160	223
Conn. Valley Broadleaf (type 51)			
January 1	234	205	439
April 1	270	239	509
July 1	222	228	450
October 1	214	271	485
Conn. Valley Havana Seed (type 52)			
January 1	1	373	374
April 1	---	435	435
July 1	---	282	282
October 1	---	249	249
Northern Wisconsin (type 55)			
January 1	---	46	46
April 1	---	36	36
July 1	---	69	69
October 1	24	115	139
Conn. Valley Shade (type 61)			
January 1	176	---	176
April 1	243	---	243
July 1	21	138	159
October 1	135	69	204
Subtotal, for cigar binder 3/			
January 1	526	728	1,254
April 1	733	1,011	1,744
July 1	353	1,145	1,498
October 1	493	869	1,362
Total, all types			
January 1	2,020	728	2,748
April 1	2,345	1,011	3,356
July 1	1,707	1,145	2,852
October 1	1,563	869	2,432

1/ Does not include tobacco stems added in manufacturing process. 2/ Includes very small quantity of Maryland (type 32). 3/ For each quarter includes small quantities of Maryland (type 32), Ohio (types 42-44), Puerto Rican (type 46), Cuban (type 81) and for some quarters, small quantities of Northern Wisconsin (type 54), Georgia-Florida (type 62) and Philippine (type 83).

Table 23.- Tobacco: Acreage in the United States, by types, for specified periods with percentages

Period	Flue-cured 11-14	Fire-cured 21-24 1/	Burley 31	Maryland 32	Dark air- and sun-cured 35-37	Cigar			United States
						Filler 41-45 1/	Binder 51-56 1/	Wrapper 61-62	
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Averages									
1924-28	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3
1929-33	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1939-43	872.8	90.1	375.4	38.4	38.6	45.2	39.2	10.2	1,510.3
1944	1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9
1945	1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7
1946	1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8
1947	1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6
1948	883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6
1949	935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2
1950	958.4	52.9	408.3	50.0	28.7	45.1	41.5	13.7	1,599.0
1951	1,110.1	49.0	456.1	53.0	26.5	39.8	31.4	13.6	1,779.9
1952	1,111.3	47.4	463.5	50.0	26.3	29.4	30.4	13.1	1,771.8
1953	1,021.8	48.3	419.7	45.0	26.0	30.5	29.0	12.3	1,632.9
1954	1,042.2	52.0	420.9	50.0	25.9	33.8	29.4	13.0	1,667.5
1955	990.7	48.2	310.6	47.0	24.2	33.9	27.7	12.9	1,495.4
1956	875.3	47.0	309.8	43.5	22.4	32.9	19.0	13.3	1,363.5
1957	662.7	36.6	306.6	37.0	17.1	32.6	15.9	13.1	1,121.8
1958 2/	638.4	31.6	300.9	34.0	14.3	32.8	15.8	12.8	1,080.8
	Percentage decrease								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Av.1947-49 to 1958	35.7	54.2	30.6	29.2	55.9	23.5	62.3	13.5	35.5
1957 to 1958	3.7	13.7	1.9	8.1	16.4	+0.6	0.6	2.3	3.7

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.

2/ Subject to revision.

Table 24.--Tobacco: Yield per acre in the United States, by types, for specified periods with percentages

Period	Flue-cured 11-14	Fire-cured 21-24 1/	Burley 31	Maryland 32	Dark air- and sun-cured 35-37	Cigar			All types
						Filler 41-45 1/	Binder 51-56 1/	Wrapper 61-62	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:									
1924-28	676	767	807	781	784	1,340	1,256	1,041	765
1929-33	707	777	777	683	803	1,035	1,350	1,039	770
1934-38	856	811	819	749	837	1,266	1,465	954	865
1939-43	963	923	985	755	958	1,323	1,526	982	986
1944	1,069	1,022	1,189	850	1,116	1,440	1,548	1,075	1,115
1945	1,088	951	1,127	525	988	1,261	1,518	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,469	1,519	1,000	1,181
1947	1,135	1,031	1,153	795	1,054	1,419	1,495	992	1,138
1948	1,233	1,170	1,396	750	1,165	1,566	1,524	998	1,274
1949	1,191	1,189	1,253	825	1,133	1,542	1,561	1,108	1,213
1950	1,312	1,102	1,222	800	998	1,474	1,548	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,571	1,098	1,310
1952	1,229	1,228	1,403	805	1,286	1,590	1,532	1,124	1,273
1953	1,245	1,013	1,345	900	1,022	1,468	1,618	1,203	1,261
1954	1,261	1,197	1,586	875	1,317	1,681	1,642	1,264	1,346
1955	1,497	1,353	1,513	670	1,284	1,569	1,555	1,213	1,466
1956	1,625	1,501	1,635	840	1,514	1,665	1,763	1,290	1,596
1957	1,471	1,380	1,592	1,040	1,316	1,403	1,766	1,442	1,486
1958 2/	1,689	1,467	1,604	975	1,399	1,645	1,664	1,341	1,626
	Percentage change								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49 to 1958	42.4	29.8	26.6	23.4	25.2	9.0	9.0	29.8	34.6
1957 to 1958	14.8	6.3	.8	-6.2	6.3	17.2	-5.8	-7.0	9.4

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.
2/ Subject to revision.

Table 25.--Acreage of tobacco in the United States, by class and type, annual 1955-58 and percentages

Class and type	1955	1956	1957 1/	1958 1/	Percentage change 1957 to 1958
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	354.0	315.0	237.0	228.0	-3.8
Eastern North Carolina, type 12	317.0	282.0	218.0	212.0	-2.8
South Carolina, type 13	197.0	172.0	133.0	129.0	-3.0
Georgia and Florida, type 14	122.7	106.3	74.7	69.4	-7.1
Total flue-cured, types 11-14	990.7	875.3	662.7	638.4	-3.7
Virginia, type 21	9.1	8.5	6.9	6.8	-1.4
Kentucky and Tennessee, type 22	27.7	27.3	22.2	18.7	-15.8
Kentucky and Tennessee, type 23	11.4	11.2	7.5	6.1	-18.7
Total fire-cured, types 21-23	48.2	47.0	36.6	31.6	-13.7
Burley, type 31	310.6	309.8	306.6	300.9	-1.9
Maryland, type 32	47.0	43.5	37.0	34.0	-8.1
One Sucker, type 35	12.8	12.5	9.8	8.6	-12.2
Green River, type 36	7.2	6.8	4.7	4.1	-12.8
Virginia sun-cured, type 37	4.2	3.1	2.6	1.6	-38.5
Total dark air-cured, types 35-37	24.2	22.4	17.1	14.3	-16.4
Pennsylvania, Seedleaf, type 41	29.5	29.0	29.0	30.0	3.4
Miami Valley, types 42-44	4.4	3.9	3.6	2.8	-22.2
Total cigar filler, types 41-44	33.9	32.9	32.6	32.8	0.6
Connecticut Valley Broadleaf, type 51	7.7	4.3	2.8	1.9	-32.1
Connecticut Valley Havana Seed, type 52	5.7	2.9	1.5	.9	-40.0
Southern Wisconsin, type 54	4.5	4.1	4.4	5.2	18.2
Northern Wisconsin, type 55	9.8	7.7	7.2	7.8	8.3
Total cigar binder, types 51-55	27.7	19.0	15.9	15.8	-0.6
Connecticut Valley Shade-grown, type 61	8.0	7.9	7.9	7.8	-1.3
Georgia and Florida Shade-grown, type 62	4.9	5.4	5.2	5.0	-3.8
Total cigar wrapper, types 61-62	12.9	13.3	13.1	12.8	-2.3
Louisiana Perique, type 72	.2	.3	.2	.2	0.0
Total all types	1,495.4	1,363.5	1,121.8	1,080.8	-3.7

1/ Preliminary.

Table 26.--Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-57, by quarters 1956-58

Year and quarter	Net sales	Net income		Profit			
				Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1956	3,959	413	197	10.4	5.0	24.6	11.7
1957	4,262	459	220	10.7	5.1	26.0	12.5
1956							
1	904	88	41	9.7	4.5	21.4	10.0
2	1,002	105	50	10.5	5.0	25.2	12.0
3	1,026	111	54	10.8	5.3	26.2	12.7
4	1,027	109	52	10.6	5.1	25.4	12.1
1957							
1	936	90	44	9.6	4.7	21.0	10.3
2	1,066	111	52	10.4	4.9	25.4	11.9
3	1,119	131	62	11.7	5.5	29.3	13.9
4	1,141	127	62	11.1	5.4	28.3	13.8
1958							
1	1,036	111	53	10.7	5.1	24.6	11.8
2	1,172	129	61	11.0	5.2	28.2	13.3
3	1,225	140	67	11.4	5.5	30.3	14.5

Note: The 1947-50 data lack strict comparability with the series beginning 1951.

Compiled and adapted from Quarterly Financial Report for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

EXPORT GRADES OF CIGARETTE TOBACCOS

By S. M. Sackrin*

In much of the literature relating to tobacco, use is often made of the term "export grades." But the term is seldom defined, and more rarely are specific grades cited as those customarily exported. Part of this may be due to the difficulty of satisfactorily explaining what is meant by "export grade," and of preparing a list of grades acceptable to all segments of the trade as representing export grades.

In a field notable for its complexity, the phase dealing with export tobaccos is among the most complicated. The grades of tobacco we sell for export differ from country to country, according to preference and price considerations. Also, variations in characteristics of the crop from year to year may affect the specific grades taken. Even the definition of the term "export grades" is subject to differences of opinion. For example, some in the trade consider flue-cured "export" tobacco to be tobacco of "hard" finish, which does not have ready absorbency. Such tobacco has traditionally been deemed suitable for use in the straight flue-cured cigarette. Others maintain that tobacco of "hard" finish are required in the Far East, because of resistance to humid conditions, but that such tobacco would not be demanded by countries in Western Europe that do add flavorings and humectants. It is conceded, though, that Western Europe generally does not favor the "drinkers" used in the U. S.--drinkers are tobaccos that readily absorb flavorings and humectants.

"Export grades" of tobacco are, of course, those that are exported. But seldom, if ever, is 100 percent of a grade exported or 100 percent used domestically. Should we consider as "export grades" only those the major portion of which (say, in excess of 50 percent) is exported? Or should we also tag as "export grades" those grades that are predominantly used domestically but of which a fairly substantial percentage may also be shipped abroad? The difficulty of a rigid classification is further complicated by the fact that no statistics are available on the domestic or export disposition of tobacco by grades. Information on this subject must be obtained primarily through consultation with informed members of the trade.

As part of a research project, the Agricultural Economics Division, AMS, has developed information on export grades of cigarette tobaccos--flue-cured, burley and Maryland. For purposes of this analysis, "export grades" refer to those grades from which exported tobaccos are predominantly selected. The objective of the overall project is to assess the impact of recent technological changes on the supply, demand, price and utilization of tobacco. One phase of this study relates to the effect on U. S. exports of

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* Acknowledgment is made of the assistance rendered by members of the trade and specialists in the U. S. Department of Agriculture.

possible shifts of domestic manufacturers' demand arising from the growing importance of filter-tip cigarettes--specifically, increased demand for those grades which normally are exported. The identification of export grades of cigarette tobaccos was thus undertaken to enable continuing analysis of price changes by grades, and their effect on exports. This article summarizes the information developed mainly through conversations with well-qualified members of the trade. Consultations were also held with officials of the Department of Agriculture whose duties bring them in close contact with the export phase of tobacco marketing.

At the outset, one thing must be stressed: It is difficult, if at all possible, to prepare a complete listing of export grades. In the case of flue-cured, for example, some of practically all grades is exported. Recognizing this, it is clearly desirable to limit discussion to grades that move abroad in substantial volume. For our discussion, therefore, export grades were selected only from cigarette tobacco grades that usually comprise one-half of 1 percent or more of the respective crop. 1/ Grades meeting this criterion account for 80 to 90 percent of each kind of tobacco. In some instances, exceptions were made at the suggestion of the persons consulted, and such grades are clearly indicated in the tables that follow. The adoption of a cutoff point of one-half of 1 percent (recent 5-year average proportion of the crop) eliminated a few grades that from year to year vary considerably in relative importance. 2/ Persons queried were provided a list of all Federal grades generally comprising one-half of 1 percent or more of the crop and asked to designate those grades usually exported in significant volume. Considering the differences in type and geographical scope of operations normally characterizing export firms, there was a surprising degree of agreement. Although the listings are not all-inclusive, they probably cover the major grades of cigarette tobaccos exported in substantial volume. (See tables 1, 3 and 5.)

1/ An article in the June 13, 1958, issue of Tobacco ("Why Leaf Exporters are Losing Customers") considers some representative export grades of flue-cured tobacco, several of which are not included in the present article. The reason is that such grades usually represent less than one-half of 1 percent of the crop. For example, B1F averaged only 0.075 percent of the flue-cured crop in the 1953-57 period; B4GR, 0.062 percent; B1R, 0.006 percent; and B2R, 0.041 percent. Expressed in actual quantities, average production of these grades ranged from 78,000 to 970,000 pounds.

2/ For example, B5GR comprised only 0.101 percent of the 1955 flue-cured crop, but constituted 0.564 percent of the 1957 crop.

Table 1.--Flue-cured tobacco: Major grades exported from the United States 1/

B2L	B4KF	*C3L	N1L
B3L	B5KF	C4L	
B4L	B6KF	C5L	N1R
B5L			*N2R
*B6L	*B3R	C4F	
	B4R	C5F	*N1GL
*B4LV	B5R		*N2GL
*B5LV	B6R	X2L	
		X3L	N1GR
B2F	*B5GL	X4L	N2GR
B3F	*B6GL		
B4F			
B5F	B5GF		
B6F	B6GF		
B4FV	B6GR		
B5FV			

1/ Except for those marked with an asterisk, each grade shown averaged one-half of 1 percent or more of the crop in the 1953-57 period. Those with an asterisk averaged less than one-half of 1 percent of the crop.

Following is a discussion of export grades of each kind of cigarette tobacco. 3/

Flue-Cured

Flue-cured is of course the principal U. S. export tobacco, usually comprising around four-fifths of our total exports of unmanufactured tobacco. As table 1 shows, the grades predominantly exported are the medium- and heavier-bodied grades of the B group, with some from the N group. Some thin-bodied grades (the C's and X's shown in table 1) are also exported, primarily to so-called "quality markets." The 41 grades shown, from which export flue-cured is chiefly selected, accounted for approximately 65 percent of flue-cured production in the 1953-57 period.

Generalizations are dangerous in this complicated field, particularly in view of changes in the demand pattern in the last few years, but if some generalization is sought we may say the following: In the C, X, P and H groups

3/ The key to standard grade marks (group, quality, color) for flue-cured, burley and Maryland may be found in the appropriate Tobacco Market Review published annually by the Tobacco Division, AMS. More detailed information appears in publications of the Tobacco Division covering official standard grades for each of the cigarette tobaccos.

the larger percentage traditionally has been purchased by domestic users, rather than by exporters. But of the B4's, B5's, B6's and the N group (other than N1L and N2L which are thin tobaccos), the larger percentage generally has been purchased for export. The predominance of the B group as export grades is due not only to the fact that it usually makes up around half or more of the flue-cured crop but also to the desire abroad for flavorful leaf. Foreign buyers can secure more flavor per dollar from the B's than from the C's or X's.

Table 2 shows the major export grades of flue-cured classified by the number of important foreign markets to which they are shipped. The 11 countries considered have accounted for roughly 80 percent of total flue-cured exports in recent years. The table shows the BF's as the single most important group exported, in terms of number of countries to which they are shipped. However, it is possible that a classification based on number of foreign companies using each grade might show a different picture; lower-priced grades would probably show up as more important.

Table 2.--Flue-cured tobacco: Major export grades classified by number of principal foreign markets to which shipped 1/

Number of principal foreign markets								
1	2	3	4	5	6	7	8	9
*B6GL		B5L	*B6L	B2L	B3L	B4L	B2F	B3F
X2L		*B5LV	B6R	B4KF	*B4LV	X3L		B4F
N1R		B5FV	B6GF	B5KF	B6F			B5F
*N2GL		B6KF	B6GR	B4R	B4FV			
N1L		*B3R	*C3L	B5R	*B5GL			
		B5GF	C4L	C4F	C5L			
			*N2R	C5F	X4L			
			*N1GL					
			N1GR					
			N2GR					

1/ Grades marked with an asterisk each averaged less than one-half of 1 percent of the crop in the 1953-57 period.

Burley

On a poundage basis, since World War II burley has alternated with the fire-cured types as the second leading kind of tobacco exported from the U. S. But burley exports have usually comprised 5 to 7 percent of the crop, while normally around half of the fire-cured crop, and around a third of the flue-cured crop are exported.

The major grades of burley usually exported in considerable volume are shown in table 3. Predominantly, these are good and medium qualities of the leaf and tip groups (B's and T's), of F, FR and R color. Good and medium qualities of the C group are also exported, mostly to "quality markets." Some lower quality X's and nondescript grades are purchased in volume for export, the latter primarily for "price markets." In the 1953-57 period, the 35 grades shown, from which export burley is predominantly selected, accounted for about 75 percent of burley production.

The major export grades of burley are classified in table 4 by number of leading foreign markets to which they are shipped. The nine countries covered have accounted for around 75 to 80 percent of our burley exports in recent years. The maximum number of these selected countries to which any one grade is commonly shipped is six, according to our information.

Table 3.--Burley tobacco: Major grades exported from the United States 1/

B2F	T4F	*C3L	N1L
B3F		C4L	N2L
B4F	T4FR		
B5F	T5FR	C2F	N1G
		C3F	N2G
B3FR	T4R	C4F	
B4FR	T5R	C5F	
B5FR			
	T4RV	*C3R	
*B3R		C4R	
B4R	T4GR	C5R	
B5R	T5GR		
		X5F	
*B5GR			
		X4R	
		X5R	

1/ Except those marked with an asterisk, each grade shown averaged one-half of 1 percent or more of the crop in the 1953-57 period. Those with an asterisk averaged less than one-half of 1 percent of the crop.

Table 4.--Burley tobacco: Major export grades classified by number of principal foreign markets to which shipped

Number of principal foreign markets					
1	2	3	4	5	6
B2F	B3FR	B5R	B5F	B4F	B3F
*C3L	B4FR	T4F	B4R		
C4L	B5FR	T5R	T4FR		
C5F	*B3R	T4GR	T5FR		
*C3R	*B5GR	C4R	T4R		
N2L	C2F	X5F	T4RV		
	C3F	X4R	T5GR		
	C4F	X5R	C5R		
	N1G	N1L			
	N2G				

1/ Grades marked with an asterisk each averaged less than one-half of 1 percent of the crop in the 1953-57 period.

Maryland

Exports of Maryland tobacco in recent years have not accounted for so large a percentage of annual production as they did in the late 1920's. In the late 1920's, half or more of the outturn was generally shipped abroad. But our exports still comprise a substantial part of the Maryland crop--in most of the last 10 years, around a fifth or more has been exported, and in the more recent part of this period, the proportion has climbed to 30-40 percent.

As is well known, Switzerland is our principal foreign outlet for Maryland tobacco, usually accounting for some 60 percent of the total in recent years. Other leading markets are Germany, Belgium and The Netherlands. These three, together, usually account for roughly 20 percent. France was formerly a principal importer of Maryland, but her importance as an outlet for this type has dwindled. But in recent years, Spain and Portugal have taken significant quantities of Maryland.

Maryland shipped abroad is used principally in cigarette manufacture. It is used in the Swiss-type cigarette made predominantly from Maryland tobacco; blended with dark tobaccos in some areas; or blended to produce the American-type cigarette gaining popularity in some European countries. Some Maryland is used abroad in pipe tobacco, and, as in the U. S., lower grades may find their way into cigars.

Table 5 shows the 46 grades from which exported Maryland is chiefly selected. These account for nearly 70 percent of Maryland production in the 1952-56 period. Generally speaking, these grades fall into two broad categories--the top grades that are taken by Switzerland, and the medium to low grades that are taken by other leading outlets.

Table 5.--Maryland tobacco: Major grades exported from the United States 1/

*B2F	T4F	*C1L	*X1L	N1L
B3F	T5F	*C2L	*X2L	
B4F		C3L	*X3L	N1G
	T4R	C4L		N2G
B4R	T5R		*X1F	
B5R		*C1F	*X2F	
	T4V	C2F	X3F	
B4V	T5V	C3F		
B5V		C4F	*X3R	
	T4D		X4R	
*B4D	T5D	*C3R	X5R	
B5D		C4R		
	T4G		X5V	
B4G		C5V		
B5G			*X4G	
			X5G	

1/ Except those marked with an asterisk, each grade shown averaged one-half of 1 percent or more of the crop in the 1952-56 period. Those with an asterisk averaged less than one-half of 1 percent of the crop.

Timing of Exports

Although not strictly related to the matter of export grades, timing is a phase of the tobacco exports picture that merits some attention. Analysts working with tobacco statistics soon learn they must pick their way warily to avoid the numerous pitfalls that exist. Among these are the figures on tobacco exports, especially if the analyst tries to relate them to the size and price of current crops.

With the notable exception of the United Kingdom, most European countries do not ship tobacco out of the U. S. promptly after purchase but store much of it here for varying duration. There are two reasons for this. First, the tobacco "sweats" better in the U. S. than in Europe; and second, it is generally cheaper to store tobacco in this country. In the case of the United Kingdom, tobacco bought here is usually shipped soon after redrying. This is designed to assure better control of the moisture content--an important consideration affecting the amount of import duty that must be paid. Under British tariff regulations, duty rates levied on imported tobacco differ according to moisture content.

As the lag between the time of purchase and export of tobacco can be considerable, Department of Commerce statistics on shipments during any specified period usually include tobacco of more than a single year's crop. The difficulties this gives rise to are well known to anyone engaged in analysis of tobacco statistics. More often than not, meaningful relationships cannot be obtained between (1) the size and average price of a given year's crop, and (2) the quantity and average unit value of exports during the same crop year. Another serious limitation relates to forecasting the level of exports. The size and quality of current crops are considered--along with other factors--in appraising export prospects. Yet the actual level of exports in any given crop-year is affected not only by these factors but also by shipment of purchases made from prior crops. The shorter the period considered, the more hazardous is the task of prediction.

STATISTICAL SUMMARY

Item	Unit or base period	1957 Oct.	1957 Nov.	1958 Sept.	1958 Oct.	1958 Nov.	Last data as percentage of a year earlier
Average price at auctions							
Flue-cured	Ct. per lb.	53.6	48.9	56.7	59.4	54.8	112
Burley	Ct. per lb.	Closed	61.7	C-l-o-s-e-d		66.3	107
Maryland	Ct. per lb.	C-l-o-s-e-d			C-l-o-s-e-d		---
Virginia fire-cured	Ct. per lb.	C-l-o-s-e-d			C-l-o-s-e-d		---
Ky.-Tenn. fire-cured	Ct. per lb.	C-l-o-s-e-d			C-l-o-s-e-d		---
Ky.-Tenn. dark air-cured	Ct. per lb.	C-l-o-s-e-d			C-l-o-s-e-d		---
Virginia sun-cured	Ct. per lb.	C-l-o-s-e-d			C-l-o-s-e-d		---
Parity prices 1/							
Flue-cured	Ct. per lb.	56.5	56.9	60.7	61.1	61.3	108
Burley	Ct. per lb.	57.4	57.8	61.6	62.0	62.2	108
Maryland	Ct. per lb.	55.2	55.4	56.4	56.8	57.0	103
Virginia fire-cured	Ct. per lb.	)		41.8	42.1	42.2	---
Ky.-Tenn. fire-cured	Ct. per lb.	) 38.8	39.0	41.2	41.4	41.6	---
Ky.-Tenn. dark air-cured	Ct. per lb.	33.2	33.4	36.0	36.2	36.3	109
Virginia sun-cured	Ct. per lb.	35.5	35.8	37.5	37.8	37.9	106
Pa. cigar filler	Ct. per lb.	28.7	28.9	28.9	29.0	29.1	101
Conn. Valley cigar binder	Ct. per lb.	57.4	57.8	58.3	58.6	58.8	102
Wis. binder and Ohio filler	Ct. per lb.	29.3	29.5	30.8	31.0	31.1	105
Puerto Rican filler	Ct. per lb.	35.9	36.1	34.7	34.6	34.7	96
Parity index 2/	1910-14=100	296	298	305	307	308	103
Industrial production index 3/	1947-49=100	142	139	137	138	141	101
Employment	Mil.	66.0	64.9	64.6	65.3	64.7	100
Personal income 4/	Bil. dol.	350.6	350.2	357.8	357.5	360.0	103

		1957 Sept.	1957 Oct.	1958 Aug.	1958 Sept.	1958 Oct.	
Tax-paid removals							
Cigarettes	Bil.	34.7	38.2	39.6	38.1	40.9	107
Cigars	Mil.	500.3	562.6	536.0	546.7	591.7	105
Smoking tobacco	Mil. lb.	6.4	7.3	6.3	6.7	7.6	104
Chewing tobacco	Mil. lb.	5.9	6.4	5.9	6.0	6.3	98
Snuff	Mil. lb.	3.0	3.2	3.0	3.1	3.3	103
Accumulated from Jan. 1							
Cigarettes	Bil.	313	351	289	327	368	105
Cigars	Mil.	4,240	4,803	3,861	4,408	5,000	104
Smoking tobacco	Mil. lb.	51	59	49	56	63	107
Chewing tobacco	Mil. lb.	54	60	45	51	57	95
Snuff	Mil. lb.	27	30	23	26	29	97
Tax-free removals							
Cigarettes	Bil.	2.8	2.6	3.0	3.0	3.3	127
Exports	Bil.	1.4	1.2	1.8	1.5	1.8	150
Cigars	Mil.	7.4	8.9	7.5	8.8	8.6	97
Smoking tobacco	Mil. lb.	.2	.2	.1	.2	.2	100
Chewing tobacco	Mil. lb.	.1	.2	.1	.1	.1	50
Accumulated from Jan. 1							
Cigarettes	Bil.	24.5	27.2	22.0	25.0	28.3	104
Exports	Bil.	12.5	13.7	11.9	13.4	15.2	111
Cigars	Mil.	53.3	62.4	54.4	63.2	71.7	115
Smoking tobacco	Mil. lb.	1.3	1.5	1.3	1.5	1.7	113
Chewing tobacco	Mil. lb.	1.2	1.4	.9	1.0	1.1	79

Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)	1947-49=100	134.8			134.8		100
Cigars	1947-49=100	105.1			106.0		101
Smoking tobacco	1947-49=100	146.1			147.2		101
Plug chewing tobacco	1947-49=100	134.3			121.2		90
Snuff	1947-49=100	148.5			148.5		100
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)	1947-49=100	133.1			134.1		101
Cigars	1947-49=100	109.7			109.7		100
Imports of tobacco							
Cigarette leaf	Mil. lb.	8.4	8.7	9.8	9.1		108
Cigar tobacco 7/	Mil. lb.	4.0	3.6	3.5	3.7		92
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	70.0	78.8	69.6	78.7		112
Cigar tobacco 7/	Mil. lb.	26.3	29.9	23.3	27.0		103

Continued -

See footnotes at end of Statistical Summary.

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1957 Sept.	1957 Oct.	1958 Aug.	1958 Sept.	1958 Oct.	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	76.4	76.4	37.2	59.3	84.8	111
Burley	Mil. lb.	1.6	1.5	2.2	3.3	3.3	220
Maryland	Mil. lb.	2.6	.8	1.1	1.3	1.6	200
Virginia fire- & sun-cured	Mil. lb.	.6	.3	.8	.1	.2	67
Ky.-Tenn. fire-cured	Mil. lb.	2.5	2.2	1.6	.9	2.7	123
Ky.-Tenn. dark air-cured	Mil. lb.	1.6	.1	.1	.2	.1	100
Black Fat	Mil. lb.	.4	.5	.3	.3	.5	100
Cigar wrapper	Mil. lb.	.5	.3	.6	.5	.3	100
Connecticut binder	Mil. lb.	.2	.4	.1	.1	.1	25
Wisconsin binder	Mil. lb.	.2	.8	*	*	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	143.7	220.1	70.3	129.6	214.5	97
Burley	Mil. lb.	28.2	1.5	24.7	28.1	3.3	220
Maryland	Mil. lb.	13.5	.8	10.5	11.7	1.6	200
Virginia fire- & sun-cured	Mil. lb.	6.1	.3	5.9	6.0	.2	67
Ky.-Tenn. fire-cured	Mil. lb.	23.9	2.2	21.8	22.8	2.7	123
Ky.-Tenn. dark air-cured	Mil. lb.	7.1	.1	2.1	2.3	.1	100
Black Fat	Mil. lb.	4.4	.5	4.6	5.0	.5	100
Cigar wrapper	Mil. lb.	1.5	1.8	1.3	1.8	2.1	117
Connecticut binder	Mil. lb.	1.9	.4	1.9	1.9	.1	25
Wisconsin binder	Mil. lb.	2.5	.8	2.5	2.5	*	---
Exports of manufactured tobacco in bulk	Mil. lb.	.2	.3	.5	.5	.3	100
Accumulated from Jan. 1	Mil. lb.	3.3	3.6	5.2	5.7	6.0	167
		Quarterly data					
		1957 July-Sept.	1957 Oct.-Dec.	1958 July-Sept.		1958 Oct.-Dec.	
Tobacco stocks--1st of quarter 9/							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,511	2,790	2,308		2,609	94
Burley	Mil. lb.	1,430	1,299	1,412		1,285	99
Maryland	Mil. lb.	80	79	77		80	101
Fire-cured	Mil. lb.	160	146	146		133	91
Dark air- and sun-cured	Mil. lb.	94	83	85		78	94
Cigar filler	Mil. lb.	205	179	200		174	97
Cigar binder	Mil. lb.	109	98	95		85	87
Cigar wrapper	Mil. lb.	19	21	21		24	114
Under Government loan 10/	Mil. lb.	1,039	1,011	1,007		1,034	102
Tobacco sheet 11/							
Cigarette types	Mil. lb.	Not available		1.4		1.1	---
Cigar types	Mil. lb.	Not available		1.5		1.4	---
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	209	190	237		210	111
Cigar	Mil. lb.	24	26	26		27	104
Tobacco outlets 12/							
Seasonally adjusted data, annual rates, for charts, p. 2:							
Cigarettes							
Production	Bil.	453	430	481		453	105
Tax-paid removals	Bil.	420	396	446		417	105
Cigar production	Bil.	6.15	6.15	6.70		6.42	104
Smoking production	Mil. lb.	73.5	71.5	75.0		75.3	105
Chewing production							
Scrap	Mil. lb.	33.7	33.0	31.3		32.3	98
Plug and other	Mil. lb.	38.5	37.3	36.8		35.8	96
Snuff production	Mil. lb.	36.0	35.5	35.6		36.4	103
Exports of leaf							
Total	Mil. lb.	540	519	520		569	110
Flue-cured	Mil. lb.	460	437	442		478	109

1/ Based on data for month specified. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds.

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The next issue of the Tobacco Situation is scheduled for release March 31, 1959.